

# Purchasing Week

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\$6 A YEAR U. S.  
AND CANADA \$25 A YEAR  
FOREIGN

## A-C Adopts Materials Management Program



### Notes on a Painless Education

By DEXTER M. KEEZER

Economist, Educator, Author,  
McGraw-Hill Economic Advisor

**W**hat's the worst mistake you have made in your lifetime?"

At first I was inclined to tell the young man who asked me this question on relatively slight acquaintance that he was so brash that he didn't deserve an answer.

But the more I thought about it, it struck me as a very engaging question, so I agreed, "I'll think about it. In fact, I'll think a lot about it. If the answer comes out in a way that has a good chance of hurting someone—some such answer as that my worst mistake was marrying my wife (happily it wasn't; I did miraculously well there)—I won't tell you. But if it develops that it was a mistake that it won't hurt to tell—at least won't hurt anyone but me—then I'll tell you."

#### The Answer

I did think about it. I thought about it a great deal. And this is the answer I finally came up with:

The worst mistake I've made, and I made it many times over a long stretch of years, has been to *resist stubbornly learning things I have since wanted badly to know* and which would have been quite as easy to learn as it was to avoid learning.

I sat in Sunday School for years virtually defying a long series of teachers to teach me anything about the Bible. And since then there has been almost an infinity of occasions when I have longed to know things about the Bible that I had to work quite hard not to learn in Sunday School.

In the case of the Bible, my stolid resistance to learning may conceivably have had one beneficial result for me. It may have saved me from getting into politics where any distinction I might have attained could only have been in the magnitude of the flop. At the time I was being urged to go into politics, it was my observation that a familiarity with biblical lore was almost a *sine qua non* of success, as I suspect it still is in many parts of the country. Having no capacity whatsoever for the fast draw with a biblical quotation, the allurements of politics for me were reduced below the vanishing point.

#### A Dead Loss

But for the greater part, what I have successfully resisted learning when learning would have been just as easy (and quite possibly easier) has been a dead loss.

Always generous in sharing the blame for my deficiencies I have at times been inclined to put a little of the onus on my

(Turn to page 40, column 1)

## Purchasing Week's Panorama

• A New Product Guide has been compiled for your convenience in ordering dictating machines. The guide, on pages 30-32, lists the equipment on the market, along with easy-reference data to help you make the best buy for your firm.

• The New Trend Toward Linking Purchasing with Marketing and Distribution under one vice president is coming in for a lot of discussion. Consultant F. Albert Hayes takes up the subject in the 'Professional Perspective' on page 42.

• Competition Is Fierce among suppliers for the auto-industry, particularly metals and plastics. 'Detroit Perspective' on page 20 goes over some of the selling pitches used by these suppliers and what the reaction to them has been.

• A New Consumer Buying Splurge may be building up. That's the consensus of some top economists who have been keeping a close watch on consumer income through the recession and into the recovery. An analysis is on page 29.

## Inventory Buildup Beginning at Last—But It's Cautious

A Special P/W Survey

New York—Signs of a modest upturn in inventory buying are beginning to pop up all around the country.

But it's a cautious buildup. Most buyers are stressing the point that they're stocking up only to meet expanded production needs. Fewer than one out of ten P.A.'s say they're doing any substantial forward buying.

These are the highlights of a new P/W survey of P.A. buying and inventory plans made in 14 cities. Other points brought out by the survey:

• **Inventory sales ratio**—P.A.'s are determined to keep this key ratio close to postwar lows. The experience of the past year and a half has convinced almost everybody that the mistakes of earlier recovery periods can be avoided.

• **Prices**—Outside of some (Turn to page 44, column 1)

## Chemical Credit Men Take P.A.'s to Task For Discount Tactics

Denver—Credit managers are stiffening their rules on cash discounts. They are out to turn the tables on some customers who make a practice of whacking off a 2% discount even after the period for the allowance has expired.

This means purchasing departments may have to jog accounting to speed up payment of bills and thus avoid unnecessary costs that could easily upset an otherwise good purchasing record.

The tougher attitude on discounts was expressed here at the May conference of the National Assn. of Credit Management (NACM). At one panel, in which the chemical industry was prominently represented, the practice of taking discounts after the time limit was roundly condemned.

Roland L. Larson of American Seating Co. said that he had noticed an increase in the number (Turn to page 16, column 1)

## Shippers Blast Proposals To Alter Commodity Rules

Cleveland—Proposals by two of the largest motor rate bureaus to wipe out commodity classifications on shipments under 300 lb. have drawn angry shipper protests.

• The Eastern Central Motor Carriers Assn. wants to place a constant, or flat, charge on any commodity in six weight brackets up to 300 lb. If approved by the (Turn to page 43, column 2)

## NAPA Convenes

Chicago—The National Assn. of Purchasing Agents opened its annual convention here today. More than 2,000 delegates jammed the Conrad Hilton Hotel for three days of workshop and forum sessions geared mostly to keeping up with new purchasing techniques, new product development, and the general economic outlook.

Top item on the association's business agenda was a membership decision on a proposed dues increase sought to help finance an expanded program of professional development.

## Allegheny Ludlum Shakes Rivals With Broad Slash Of Stainless Steel Prices

Pittsburgh—Allegheny Ludlum Steel Corp. shook up its competitors in the aluminum and plastics industries as well as specialty steel producers with its announcement last week of a price cut in a broad range of stainless products.

Allegheny cut the base prices on most grades of cold rolled strip by 1½¢ lb. to 4¢ lb. and at the same time reduced some extra charges on both strip and stainless steel sheet. The cuts apply to the popular stainless grades used in auto trim, appliances, architectural products, and pots and pans.

Industry observers said the reduction was inspired largely by the battle among stainless steel producers for trim business on 1962 model autos. But a side effect, they pointed out, could be to intensify the competitive pressures on aluminum, which has many markets in common with stainless.

The move caught the rest of the steel industry by surprise. However, Jones & Laughlin Steel Corp. immediately announced it (Turn to page 43, column 1)

## Purchasing Week's Purchasing Perspective

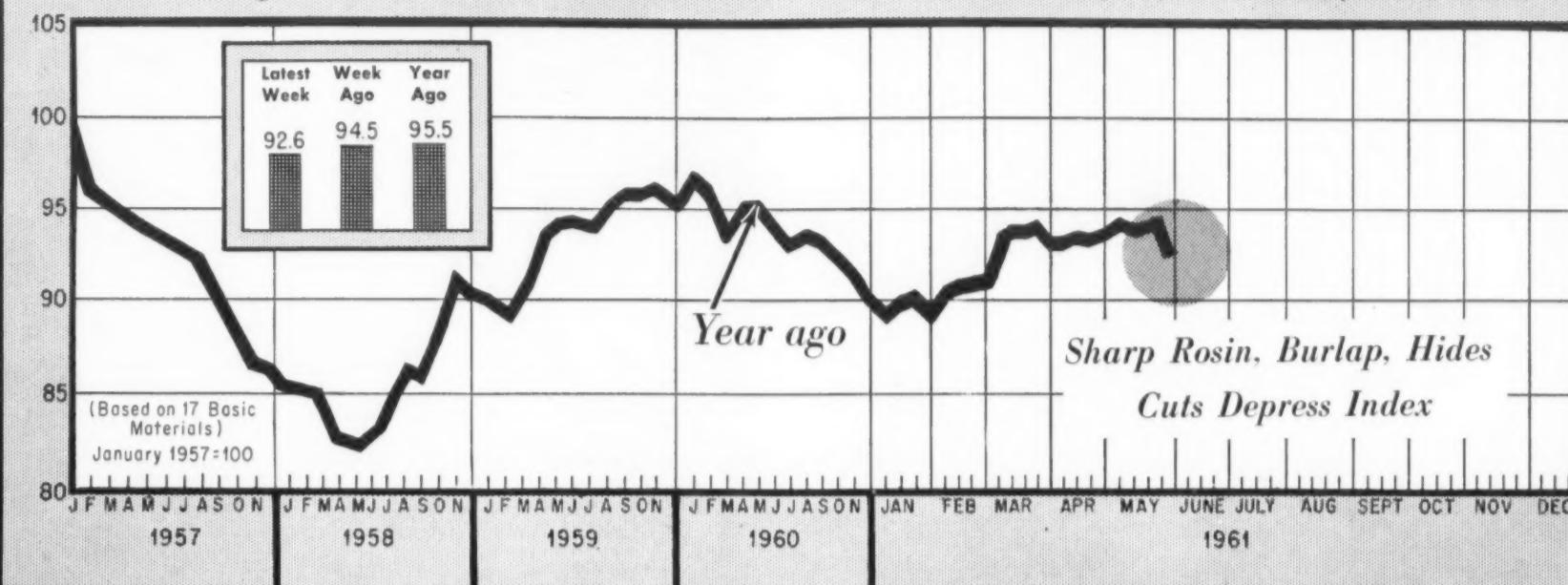
Many speakers at the NAPA convention opening today in Chicago will urge their listeners to "think big." Such advice will be sound because the delegates with the longest titles and biggest salaries in most cases are the big thinkers.

One example is the purchasing director who some months ago solicited from all department and division heads in his company their thoughts on what new products they would be making within the next five or ten years. Armed with these drawing board dreams, he already has purchasing department representatives contacting current and potential suppliers of this futuristic gadgetry.

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Another example of thinking ahead is suggested by the chief executive officer of a Midwest steel company who appeared (Turn to page 43, column 4)

## Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



## This Week's Commodity Prices

### METALS

	May 31	May 24	Year Ago	% Yrly Change
Pig iron, Bessemer Pitts., gross ton.....	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton.....	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton.....	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.....	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.....	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.....	5.98	5.98	5.975	+ .1
Steel, bars, Pitts., cwt.....	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.....	5.30	5.30	5.30	0
Aluminum, pig, lb.....	.26	.26	.26	0
Secondary aluminum, #380 lb.....	.218	.220	.25	-12.8
Copper, electrolytic, wire bars, refinery, lb.....	.306	.306	.326	-6.1
Brass, yellow, (sheet) lb.....	.493	.493	.506	-2.6
Lead, common, N.Y., lb.....	.11	.11	.12	-8.3
Nickel, electrolytic, producers, lb.....	.74	.74	.74	0
Tin, Straits, N.Y., lb.....	1.112	1.109	1.001	+11.1
Zinc, Prime West, East St. Louis, lb.....	.115	.115	.13	-11.5

### FUELS†

Fuel oil #6 or Bunker C, Gulf, bbl.....	2.20	2.20	2.10	+ 4.8
Fuel oil #6 or Bunker C, N.Y., barge, bbl.....	2.62	2.62	2.47	+ 6.1
Heavy fuel, PS 400, Los Angeles, rack, bbl.....	2.10	2.10	2.15	-2.3
Lp-Gas, Propane, Okla., tank cars, gal. (incl. discount).....	.035	.035	.035	0
Gasoline, 92 oct. reg., Chicago, tank car, gal.....	.11	.11	.116	-5.2
Gasoline, 84 oct. reg., Los Angeles, rack, gal.....	.111	.111	.109	+ 1.8
Kerosene, Gulf, Cargoes, gal.....	.093	.093	.09	+ 3.3
Heating oil #2, Chicago, bulk, gal.....	.088	.088	.085	+ 3.5

### CHEMICALS

Ammonia, anhydros, refrigeration, tanks, ton.....	94.50	94.50	90.50	+ 4.4
Benzene, petroleum, tanks, Houston, gal.....	.34	.34	.34	0
Caustic soda, 76% solid, drums, carlots, cwt.....	4.80	4.80	4.80	0
Coconut oil, inedible, crude, tanks, N.Y. lb.....	.13	.118	.164	-20.7
Glycerine, synthetic, tanks, lb.....	.25	.25	.293	-14.7
Linseed oil, raw, in drums, carlots, lb.....	.167	.167	.168	-.6
Phthalic anhydride, tanks, lb.....	.195	.195	.165	+18.2
Polyethylene resin, high pressure molding, carlots, lb.....	.275	.275	.325	-15.4
Polystyrene, crystal, carlots, lb.....	.18	.18	.215	-16.3
Rosin, W.G. grade, carlots, fob N.Y. cwt.....	13.50	15.00	14.00	-3.6
Shellac, T.N., N.Y. lb.....	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt.....	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton.....	23.50	23.50	23.50	0
Sulfuric acid, 66% commercial, tanks, ton.....	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.....	.078	.08	.06	+30.0
Titanium dioxide, anatase, reg. carlots, lb.....	.255	.255	.255	0

### PAPER

Book paper, A grade, Eng finish, Untrimmed, carlots, cwt.....	17.75	17.75	17.75	0
Bond paper, #1 sulfite, water marked, 20-lb, 16-carton lots, cwt.....	25.20	25.20	25.20	0
Chipboard, del. N.Y., carlots, ton.....	100.00	100.00	100.00	0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls.....	9.50	9.50	9.50	0
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle..	6.60	6.60	6.30	+ 4.8

### BUILDING MATERIALS†

Cement, Portland, bulk carlots, fob New Orleans, bbl.....	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.....	4.20	4.20	4.18	+ .5
Southern pine, 2x4, 4x4, trucklots, fob N.Y., mftbm.....	115.00	115.00	124.00	-7.3
Douglas fir, 2x4, 4x4, carlots, fob Chicago, mftbm.....	125.00	125.00	137.00	-8.8
Spruce, 2x4, 4x4, carlots, fob Toronto, mftbm.....	85.00	85.00	88.00	-3.4
Fir plywood, 1/4" AD, 4x8, dealer, crld, fob mill, msf.....	68.00	68.00	64.00	+ 6.3

### TEXTILES

Burlap, 10 oz. 40", N.Y., yd.....	.130	.136	.126	+ 3.2
Cotton middling, 1", N.Y., lb.....	.343	.342	.342	+ .3
Printcloth, 39", 80x80, N.Y., spot, yd.....	.175	.174	.211	-17.1
Rayon twill, 40 1/2", 92x62, N.Y., yd.....	.205	.20	.235	-12.8
Cotton drill, 1.85, 59", 68x40, N.Y., yd.....	.34	.34	.40	-15.0
Wool tops, N.Y., lb.....	1.550	1.57	1.415	+ 9.5

### HIDES AND RUBBER

Hides, cow, light native, packers, Chicago, lb.....	.180	.192	.210	-14.3
Rubber, #1 std ribbed smoked sheets, N.Y., lb.....	.314	.318	.450	-30.2

† Source: Oilgram Price Service    † Source: Engineering News-Record

This Week's

## Price Perspective

**A TWO-WAY STREET**—Despite the generally improving demand picture, prices continue to show a mixed pattern—with a goodly portion of declines as well as rises.

That's true even in the metal area where the buying upturn has been most spectacular. Thus, virtually at the same time that steel producers are talking about a general price increase, they announce reductions on stainless steel items.

And in the nonferrous line—the exact day producers choose to boost copper prices to 31¢/lb., they cut tags on high-grade zinc.

**But metals aren't alone in this curious two-way pricing movement.** PURCHASING WEEK's new industrial buying survey confirms the fact that for every two products going up there's at least one going down (see table, page 44).

It's no accident that substantial weakness still shows up in a recovery period. Excess capacity, continuing heavy imports, and competition between products all are contributing to the unsettled picture.

**In stainless steel, for example, it's the growing battle between steel and aluminum for the auto trim business that sparked the latest reduction.**

**THE BIGGEST QUESTION MARK**—But all this backing and filling of prices still doesn't answer the big question: What about a general steel boost this fall?

Here are a few clues that may provide the tipoff when and if such an increase is imminent:

• **Warehouse stocks**—Service center inventories are an excellent barometer of coming price changes. If a price rise seems likely (these distributors have a pretty good inkling of what the big producers are thinking), look for a sudden spurt in their currently low steel holdings.

**The period to watch is late summer—a month or so before the new steel wage increase (12¢-13¢/hr.) goes into effect.**

• **Profits**—The only justification for a price rise would be a profit squeeze. In fact, producers are basing much of their current argument for increases on recent poor profit performance. They point to after-tax margins of 4.6% in the fourth quarter of 1960 on invested capital—less than half the 8.4% average for all U.S. industry.

But it's important to remember that fourth quarter 1960 operations were only about 50% of capacity. The current quarter will be near 75%. **And if margins follow the same pattern (second quarter profit figures should be available by late summer), the steam would be taken out of this steelmaker argument.**

**A NEW WRINKLE**—The current lag in consumer buying (auto sales this year are running close to 20% below 1960) has prompted one economist to suggest a radical new approach to stimulate demand.

Prof. George Katona, head of the University of Michigan Survey Research Center, thinks that buyers of such items should receive special tax incentives. He suggests that tax credits could be given to buyers of houses, autos, and large appliances as well as the families making additions and repairs to their homes.

This is broadly comparable to the incentives recommended by the Kennedy Administration on business expenditures for new plant and equipment.

Dr. Katona thinks the Administration is missing the boat in ignoring ways of stimulating consumer demand. He points out, for example, that consumer investments are nearly twice as great as capital equipment investment. **And even a small percentage increase in this type of buying could have sharp impact on the over-all economy.**

## Hercules Powder Kicks Off Reduction On High Density Polyethylene Prices

New York—Prices on high density polyethylene—the major raw material for detergent containers—are being reduced 3¢/lb.

The cut, kicked off by the Hercules Powder Co., was quickly followed by statements from other producers that they would remain competitive. The new price is 35¢/lb. on the key 0.945 density polyethylene resin.

A Hercules spokesman gives this official reason for the cut: "Expanded production facilities at Parlan, N. J., which have been increased from 30-million lb. to 80-million lb. a year."

But some observers think that pressure may have come from detergent makers who have been working to get a reduction on this key material for quite some time.

According to industry observers, soap makers now use close to 50-million lb. of the material a year in the form of detergent containers. A 3¢/lb. cut amounts to an over-all saving of close to \$1.5-million in annual raw material costs.

### Price Briefs

**Steel Imports**—Extras on steel imports from Europe are going up from \$1 to \$8/ton. The decision was taken at the May 25 meeting of the European Coal and Steel Community in Brussels.

**Brass Rods**—All producers are following the recent 1¢/lb. boost in free cutting brass rod initiated by the Titan Metal Manufacturing Co. Reason: to widen the currently tight cost-price spread.

**Brass Trap Tube**—Suppliers of this plumbing item are raising prices 0.48¢/lb. This reflects both the recent 1¢/lb. increase in copper and the 1/2¢/lb. drop in zinc—both of which are used in making this products.

**Copper Clad Strip Steel**—Copperweld Steel Co. is boosting base prices \$10-\$17/ton on its copper-clad strip steel. Higher copper prices are behind the boost.

**Urea**—W. R. Grace Co. is raising urea tags \$2-\$3 a ton as of July 1. Growing profit squeeze is behind the action.

### Price of Copper Scrap Reduced Another Notch

New York—Copper scrap prices went down another 1/4¢/lb. last week in the continuing decline that began two weeks ago. Since then, 1 1/4¢/lb. has been knocked off the quote on No. 2 wire scrap—leaving prices at 27¢ or the equivalent of 32 1/4¢ for the refined copper made from the scrap.

Several reasons are behind the new downturn. Probably most important is increased supply. Dealer offerings have increased substantially in recent days.

Settlement of a Chilean labor dispute plus easier copper prices on the New York and London markets are also contributing to general weakness.

### This Week's Scrap Prices

	May 31	May 24	Year Ago	% Yrly Change
Steel, #1 hv, divd Pitt, ton.....	35.00	35.00	31.00	+12.9
Steel, #1 hv, divd Clev, ton.....	33.50	33.50	32.00	+4.7
Steel, #1 hv, divd Chic, ton.....	37.00	35.00	30.00	+23.3
Copper, #1 wire, dlr buy, fob NY, lb.....	.26	.255	.240	+8.3
Copper (hv) & wire mix, dlr buy, fob NY, lb.....	.245	.24	.210	+16.7
Brass, light, dlr buy, fob NY, lb.....	.15	.145	.105	+30.4
Brass, hv yellow mix, dlr buy, fob NY, lb.....	.15	.145	.115	+30.4
Alum (cast), mixed, dlr buy, fob NY, lb.....	.10	.10	.110	-9.1
Alum (sheet), old clean, dlr buy, fob NY, lb.....	.095	.095	.110	-13.6
Zinc, old, dlr buy, fob NY, lb.....	.035	.035	.040	-12.5
Lead, soft or hard, dlr buy, fob NY, lb.....	.07	.07	.083	-15.7
Rubber, mix auto tires, divd Akron, ton.....	11.00	11.00	12.50	-12.0
Rubber, synth butyl tubes, East, divd lb.....	.063	.063	.063	+24.1
Paper, old corrug box, dlr, Chic, ton.....	16.00	16.00	15.00	+6.7
Paper, #1 mixed, dlr, NY, ton.....	1.00	1.00	1.00	0
Polyethylene, clear, dlr, NY, lb.....	.07	.07	.11	-36.4

### Methylcellulose Tags Cut

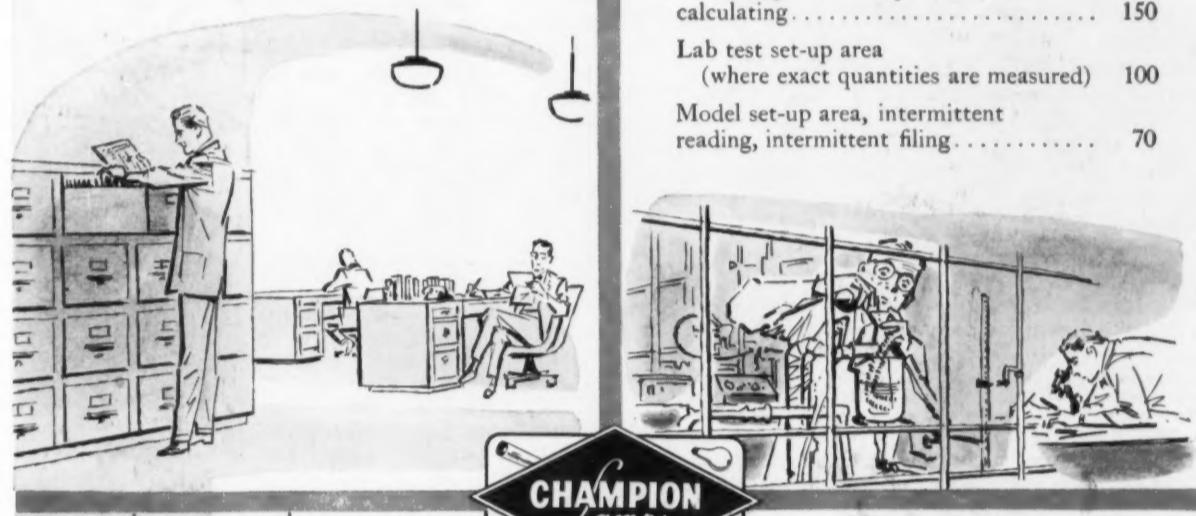
Midland, Mich.—Dow Chemical Co. has lowered prices of its methylcellulose products, trademarked Methocel. Prices, effective June 1, will range to a maximum of 13¢/lb. lower on standard grades. This means a cost savings of up to 16%, Dow said.

In addition, all viscosity types in the standard grade are being sold for the first time at the same price. Previously, there was a 13¢/lb. differential between high and low-viscosity types. Prices on both standard and premium types will include freight prepaid to destination.

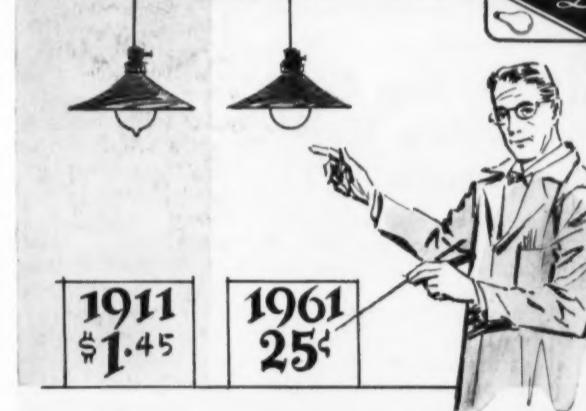
# Facts of Light!

### 4, 9, 16, 25, 36 THE ARITHMETIC OF LIGHTING

The light you receive from a lamp varies inversely as the square of the distance you are from it. If you are 4 feet from a lamp and move away to 12 feet, you will receive only 1/9 the previous light.



Your Best Buy in Lamps



### LIGHT BULBS ARE A BARGAIN

50 years ago a 100 watt bulb cost \$1.45. In fact, if 1910 production methods attempted to supply today's demand, a 100 watt bulb would cost about \$4.10. Today, you can buy a much better 100 watt bulb for 25 cents list.

### RECOMMENDED ILLUMINATION LEVELS FOR RESEARCH FACILITIES

SEEING TASK	FOOTCANDLES
Detail drafting, fine detailed model design.....	200
Instrument readings.....	100
Rough layout drafting, auditing, tabulating machine operation, calculating.....	150
Lab test set-up area (where exact quantities are measured)	100
Model set-up area, intermittent reading, intermittent filing.....	70



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CHAMPION LAMP WORKS, Lynn, Massachusetts

CHAMPION INCANDESCENT-FLUORESCENT

## Purchasing Week's Washington Perspective

**Increased defense and space spending proposed by President Kennedy does not preclude a tax cut next year.** In fact, some Administration officials believe a tax cut will be necessary to prevent a prospective federal budget surplus from slowing down the economy. They feel the business upturn will be sustained and vigorous enough to insure a substantial surplus in fiscal 1963, beginning July 1, 1962.

This brightened business outlook is the chief reason that Kennedy rejected economic pump-priming through public works. He and others in the Administration fear that a major public works program might re-touch the spark of inflation—coming, as it would, at just about the same time business was pulling out of the recession. Additional military and space spending would not have quite this effect, chiefly because of the high percentage of unemployment and still-idle industrial capacity.

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**In all, about \$200-million extra will be available to the Army next year for procurement of conventional arms and equipment.** This will bring Army procurement contracting to roughly \$2-billion in fiscal 1962, an increase of almost \$400-million over the current rate of new orders. Much of this will go to "mechanize" four infantry divisions with armored personnel carriers.

New orders will be forthcoming for such items as 175-mm. guns, 105-mm. self-propelled howitzers, 99-mm. recoilless rifles, 81-mm. mobile-support mortars, M-60 machine guns, observation and transport planes, and helicopters. In some cases, new producers have yet to be selected. Over the longer range, aerospace contractors will be shooting for contracts that will run between \$20-billion and \$40-billion in project Apollo.

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**Labor Secretary Arthur J. Goldberg has made it clear that the Administration will step into forthcoming auto negotiations to prevent a strike.** The reasons are twofold: (1) an auto walkout, while not a national emergency, would delay the developing economic pickup, and (2) the cost-price and wage-price push still poses an inflationary threat.

Administration intervention in auto negotiations would be on the subtle side, however. If union chief Walter Reuther and the auto manufacturers appear to be having trouble, it's likely that the White House labor-management advisory committee would be used as public leverage to put pressure on the parties. Both Reuther and Henry Ford II are members.

**What this means in broad Administration labor policy is that the White House will intervene, in one way or another, in almost any dispute it feels is significant.** For the past decade, the government has kept hands off auto bargaining—with even the Federal Mediation Service staying out. This is changing now. Goldberg intends to keep a close check on the talks, ready to move in if he has to.

Reuther may hold out in the face of a bad period for auto makers, in hopes of getting a break from Goldberg. But he also faces repeated warnings by the advisory committee of the need to keep a check on rising wages and prices.

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**The U.S. finds itself in a tough spot in current trade-tariff talks at Geneva.** The six-nation European Common Market has offered a 20% tariff cut on non-farm products under the general agreement on tariffs and trade (GATT). Britain is considering a similar move. The U.S., bound by peril points established by the Tariff Commission, can't offer much more than an average 5% cut—far short of the 20% goal. U.S. officials are hoping European countries will proceed with substantial reductions in view of earlier cuts made by Washington on a bilateral basis.

## Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	2,077	2,037	1,870
Autos, units	133,974	131,552*	149,636
Trucks, units	25,946	26,271*	31,207
Crude runs, thous bbl, daily aver	8,049	7,893	7,899
Distillate fuel oil, thous bbl	12,952	11,695	12,305
Residual fuel oil, thous bbl	5,922	6,283	6,304
Gasoline, thous bbl	29,089	28,783	28,654
Petroleum refineries operating rate, %	81.1	79.6	80.9
Container board, tons	NA	161,309	NA
Boxboard, tons	NA	104,163	NA
Paper operating rate, %	92.5	91.6*	97.8
Lumber, thous of board ft	239,025	244,655	248,430
Bituminous coal, daily aver thous tons	1,290	1,227*	1,424
Electric power, million kilowatt hours	14,390	14,352	13,572
Eng const awards, mil \$ Eng News-Rec	399.9	400.0	648.0
*Revised			
NA—Not Available			

## P.A. 'Image' Topic at Canadian Purchasing Parley

**Toronto—**Critical professional appraisal and the need to do a better job formed the dominant themes at the 36th Canadian Purchasing Conference here last week.

The conference, sponsored annually by the Canadian Assn. of Purchasing Agents and presented this year by the 600-member Purchasing Agents' Assn. of Toronto, attracted 1,000 buyers from government and industry. In addition to the two-day program of speeches and workshops, the conference presented an industrial exhibition in which 85 leading Canadian companies were represented.

The theme of critical appraisal was sounded in the opening address by E. D. Loughney, president of the British American Oil Co., Ltd. Loughney said purchasing people "sometimes pay too much attention to detail" and sometimes are too concerned about making sure that things are done the way they always have been done instead of the way they could or should be done.

Raymond W. Barnett, assistant to the publisher of PURCHASING WEEK, said purchasing agents need a clearer picture of the image they create in others. He criticized buyers for a lack of aggressiveness in searching out new products.

"Did you ever stop to think that selling and sales personnel have grabbed the initiative, put selling in the spotlight, and in so doing shoved purchasing into the background?" he asked. "The time has come to take back that initiative."

The Canadian association installed its new president, J. G. Bradley, assistant general purchasing agent, Aluminum Co. of Canada, Ltd., in Montreal, and attacked such problems as its name, type of members, and long-term aims.

Elected 1st vice president was A. F. Harrison, Ford Motor Co. (Canada), Oakville, Ont. A. S. Nursey, Marwell Construction Co., Vancouver, was named 2nd vice president.

Many members felt that the word "agent" in their association

### AEC Cuts Basic Charge For Enriching Uranium In Fissionable U-235

**Washington—**The Atomic Energy Commission reduced its basic charges for enriching natural uranium in the fissionable U-235 isotope. The decision to lower prices for reactor fuels has the effect of putting nuclear power in a stronger competitive position with conventional energy sources.

The AEC decreases include a 20% price reduction for highly-enriched uranium and a 34% reduction for 1% enriched-U. The changes reduce by 63% former prices for depleted uranium. The reductions for most domestic reactor operators, who use slightly enriched fuels, figures out at about 30%.

The old AEC price for 1% enriched-U of \$7.58 per gram of contained U-235 is now \$4.99/g. of contained U-235. The old price for 90% enriched-U of \$17.07 per contained gram of U-235 decreases to the current price of \$13.63/g.

name was a roadblock in their image-building drive. Strictly speaking, they contended, they are no longer just agents; they are now, increasingly, a part of management. A move to have their

John Dickinson of B. A. Oil, conference chairman, laid at least part of the blame on unrealistic optimism for the "soaring '60's."

"We bought like crazy until we realized '60 wasn't going to be a good year," he said. "Then last year we had inventory liquidation. Now we're starting to buy again, but we've got to keep things tight. Instead of 60-day inventories we want 45 days. Our big problem is to get the supplier to carry inventory for us. This is going to be a better year than last year, but not as good as it should be."

Internationally, the buyers were urged to start planning now for the coming liberalization of trade, particularly in Europe.

J. R. Blinch, director and secretary of the Purchasing Officers Assn. of Great Britain, urged formation of an international federation of purchasing "through which associations in all parts of the world will be kept in touch with each other in the many problems which are common to all."

"During the next 10 years we can confidently expect a general liberalization of international trade," he said. "If we started to build now we could, by that time, have an international federation of purchasing agents to provide services which will be of great assistance to industrial buyers in all parts of the world."



J. G. Bradley

name changed to the Canadian Purchasers' Assn. is planned for next year.

Similarly, some members are dismayed by the number of persons, not strictly buyers, who try to join their association. In the long run, association members feel they must become a true professional organization with full powers to qualify and regulate their members.

Another major concern: Canada's current recession, or, more accurately, Canada's failure to swing out of the recession along with the U.S.

Washington—The full Interstate Commerce Commission has lifted a suspension imposed by Division 2 on a 6% increase in less-than-truckload and any-quantity shipments between the South and East.

The increase, which was to have gone into effect May 1 until the division suspended it, will now take effect June 22. The commission will keep the rate hike under investigation, however, and eventually make a determination as to its lawfulness.

The decision of the full commission to review the case is a sign that it considers the LTL increase a matter of general transportation importance. Under its recent reorganization, the commission will no longer accept appeals from divisions unless they involve issues of major significance.

In other ICC actions:

- Division 2 ruled that 123 truckers are justified in charging higher less-than-truckload rates between Minneapolis-St. Paul and cities in the Far West than between Chicago or Milwaukee and the same points.

The division dismissed a complaint brought against the motor carriers, all members of the Rocky Mountain Tariff Bureau, by the Minneapolis Traffic Association and the St. Paul Chamber of Commerce.

The division found the new rates justified on grounds that the truckers are confronted with greater competition from freight forwarders in the Chicago and Milwaukee areas, and are justified in meeting this competition with lower rates.

- Division 2 refused to interfere in a rail-water carrier rate battle over the shipment of alum-

inum between Texas and New York and Pennsylvania points.

The case involved reductions made by Seatrail Lines, the water carrier, and north-south railroads. As a result of the reductions, the differential between all-rail rates and rail-water-rail rates has now been cut to 4¢/100 lb., the lower rate in favor of Seatrail. The differential formerly was 11¢ and has ranged as high as 20.3¢, so that the railroads have been steadily narrowing the gap.

In the current instance, Seatrail cut the water portion of the rail-water-rail rate, and the railroads retaliated by cutting the all-rail charge, without giving Seatrail a reduction in rail charges to and from its ports. Each side objected to the other's action.

The division found no cause to intervene, however. It said the rates of both water and rail carriers still exceed fully distributed costs and therefore cannot be said to amount to a rate war.

## General Mills Sets Up New Electronics Group

Chicago—General Mills has formed a new Electronics Group by combining its Mechanical Div. with two wholly owned subsidiaries.

The new group will have four specialized departments—Electronic and Mechanical Defense Products, Balloon and Aerospace Systems, Automatic Handling Equipment, and Research.

Under the new setup, the Mechanical Div. will continue in the precision machining business and will actively solicit business in the mechanical component and assembly field.

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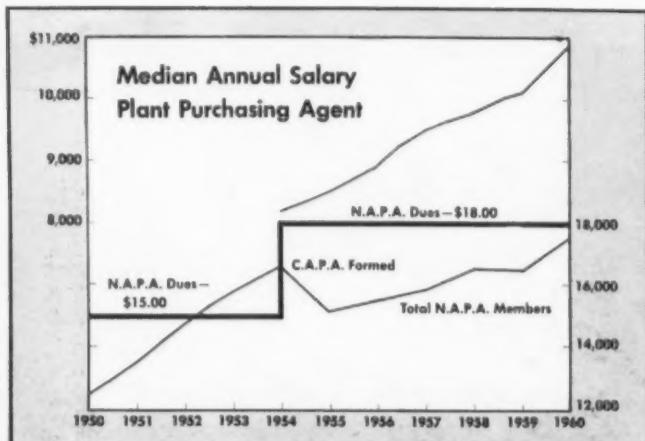
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**THE NAPA DUES QUESTION:** With dues slated to be a controversial topic at the national convention in Chicago, the May 24 issue of the NAPA 'Bulletin' charted the rise in salaries and comparatively steady tenor of dues over the past few years, noting that while salaries had gone up from \$8,000 to \$10,800 annually, dues had risen only \$3. 'It would be expected,' the publication said, 'that NAPA, through the many services and educational programs, played no small part in justifying the raise in the general salary structure.'

## Shakeup in Procurement Follows Contracting Scandal in Philadelphia

**Philadelphia**—Mayor Richardson Dilworth has ordered a top-to-bottom cleanup of his administration in the wake of a payola scandal involving contracting work on the city's elevated transportation system. Among top officials already fired in the shakeup were Deputy Procurement Commissioner George O'Gorman, City Treasurer George Dillauro, and Milton Wasserman, assistant chief of the accounting division. O'Gorman's boss, Procurement

Commissioner Michael I. Sura, also resigned. He came under fire not because of direct involvement in the alleged wrongdoing but because he came to O'Gorman's defense, praising him as the "most honest, conscientious, and best supervisor of purchases in the U. S."

The three fired officials were accused of accepting gifts—whiskey bottles wrapped in \$100 bills—from a local contractor who now faces bribery charges.

The scandal centers around repairs that were done—or in many cases not done—by private contractors on the elevated-subway system operated by the Philadelphia Transportation Co. In addition to the gift-giving contractor, criminal charges also have been brought against at least four other persons, including a retired official of the PTC.

Investigators charge that since 1957 the city may have been cheated out of \$2-million or more as a result of bid-rigging, contract skimping, and repair contract overcharging. A damage suit against the PTC, four construction firms, and six individuals has been filed for \$1.8-million; and investigators are expanding their inquiry.

## Midwest Truckers Hear Shipper Arguments On Proposed Rate Boosts

**Chicago**—Shippers unanimously opposed a new proposal for rate increases at a Central States Motor Freight Bureau meeting here. About 15 shippers testified against the increases which would be in lieu of a \$1/shipment charge scheduled to be removed in October.

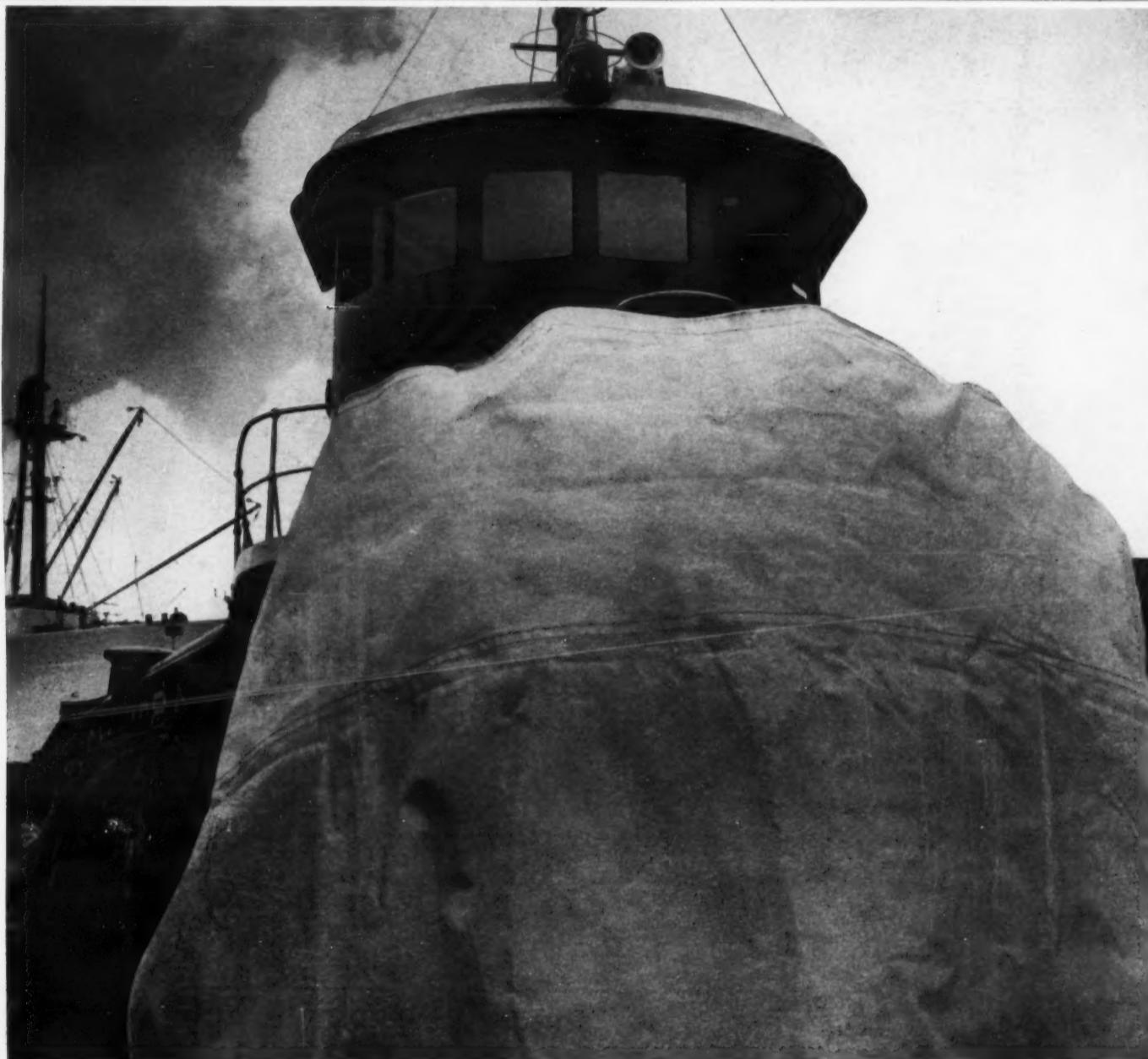
The rate proposal would:

- Increase minimum charges 50¢.
- Increase LTL and any-quantity rates on shipments under 1,000 lb. by 35¢/cwt.
- Increase LTL and any-quantity rates on shipments weighing over 1,000 lb. but less than 2,000 lb. by 20¢/cwt.
- As an alternative to the second and third proposals, raise all LTL and any-quantity rates on shipments under 2,000 lb. by 29¢/cwt.
- Increase LTL and any-quantity rates on shipments weighing more than 2,000 lb., but less than 5,000 lb. by 5¢/cwt.
- Increase LTL and any-quantity rates on shipments of 5,000 lb. or more by 4¢/cwt. Truckload, incentive truckload or volume rates would be raised 2¢/cwt.

The new rate proposal is scheduled to come up for discussion by the Bureau's standing rate committee on June 19-20. If approved, in whole or in part, it then will go to the bureau's central committee for final action.

## New Damage Suits Filed

**Los Angeles**—Damage suits totaling \$6,889,080 against eight large manufacturers of electrical equipment have been filed in U. S. District Court here by the Los Angeles city attorney on behalf of the Board of Water and Power Commissioners.



**BOATS WEAR APRONS, TOO!**—The Moran Towing & Transportation Company, Inc., with its subsidiaries, is the largest firm of its kind in the world. They have 30 tugs in the New York area alone, tugs that dock ships and tow barges in the harbor and through the Erie Canal to the Great Lakes. When great, ocean-going vessels come sailing into port, the "Barbara Moran" shown above, like other Moran tugs, springs into action—pulling, guiding, helping the big ships safely to the pier. The Moran tugs wear "fender aprons" on the bow in order to protect white and light colored ships as they are pushed into the dock. This guards the exterior of the vessel against paint damage and soil. The sturdy, protective canvas aprons were made by the Marine Canvas Supply Corp. from Mount Vernon duck.

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# Lower Prices Seen for Some Chemical Products

**New York**—Recent price reductions in some key industrial chemicals may spark lower tags for some important end products, such as paints.

Take synthetic glycerin, for example. A world-wide glut brought about a  $2\frac{1}{4}$ ¢/lb. reduction early in May. This cut could play an important role in lowering paint prices soon. (Glycerin is an important component in alkyd resins which, in turn, go into a wide variety of protective coatings.)

Soon after the glycerin cut, Union Carbide slashed its development price for 1, 2, 6-hexanetriol—also aimed at alkyd resins usage—by 30¢/lb.

Another consequence of the glycerin move was a 20¢/lb. reduction in the price of competing pentaerythritol—an important paint chemical.

Price paring among plasticizers—another glycerin outlet—also followed the glycerin reduction. Triacetin, a glycerin derivative used in cellulosic materials, was reduced 1¢/lb. by Eastman Chemicals.

## Oxo Alcohol Prices

Prices are also weakening for another related group of chemicals because of oversupply in an important component—in this case, the oxo alcohols.

Oxo alcohols were cut 2¢/lb. to 4¢/lb. in mid-May, and led quickly to a similar reduction in prices of phthalate and adipic acid esters—widely used as intermediates in the paint field and as plasticizers for flexible vinyl plastics.

How far up the line these price reductions will travel is debatable. Some chemical people say these materials are insignificant in the final costs of cellulosic and vinyl film.

Other industry experts, however, see possible end-product reaction. As one big company executive put it, "The flexible plastics field is extremely competitive and any room for price cutting created by cost reductions is likely to be seized upon."

## Other Chemicals

Other organic chemicals under price pressure because of oversupply include:

**Gum Rosins:** The May-June period is the time of greatest production of this key industrial group. Gum rosin prices have already come down considerably and further reductions may be in the cards.

"It all depends," said H. L. Meyer, vice-president of Chematical Pine Products, "how well producers follow the advice of the American Turpentine Farmers Assn. (ATFA). The ATFA asked members to place their rosin into Commodity Credit Corp. loan unless they get \$11.50/cwt. at the processing plant. If producers do that, then prices should stay close to current quotes based on the \$11.75 to \$12.25 range prevailing in the South. If not these prices will continue to fall."

**Maleic anhydride:** The new 24-million-lb./yr. maleic anhydride plant put on stream recently by Heyden Newport at Fords, N. J., adds to the oversupply—an estimated 250-million-lb. 1961 capacity as against a 93-

million-lb. demand—in this chemical.

However, the overproduction of maleic is considered an important supportive factor in maintaining current prices of benzene.

"The demand for benzene is booming," commented one large seller of coke-oven chemicals, "and part of the reason is the expansion of such important markets as maleic and styrene. Even though supply is easing because of benzene production from petroleum, user inventories are still

low. Spot offerings are snapped up and contract customers are trying to expand their allotments at current prices."

According to industry experts additional coke-oven production from higher steel operating rates won't be felt until the fourth quarter.

"One point that's overlooked," explained an Eastern chemical executive, "is that the steel industry had a lot of pig iron available to use for increasing production. They drew on that first before expanding their coking operations."

For naphthalene, another coke-oven chemical, however, the price paring may occur sooner than for benzene. User inventories were built up by record inflow from Europe. One result of this inventory gain was a fast drop recently in imported naphthalene tags—from  $15\frac{1}{2}$ ¢/lb. to about 10¢/lb.

## Naphthalene Demand Strong

"Naphthalene demand is running strong right now," said one major supplier, "but the price may weaken after June when the consuming season sloughs off."

Somewhat similar prospects are held out for phthalic anhydride, the chief naphthalene de-

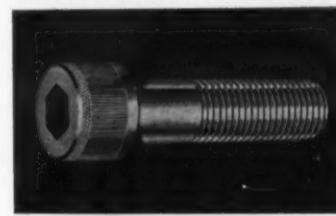
rivative. Supply is still tight in spots but is loosening rapidly, and producers report an increase in deferment of shipments under contracted allotments—a sure sign that inventory buildup is leveling off.

The price prospects for inorganic industrial chemicals is much stronger than for organics. The recent increases in tin, copper, and cadmium prices set off a wave of tag hikes among chemical derivatives.

The general business pickup is also strengthening the prices outlook for sulphur—where tag increases are predicted by producers, though not in the immediate future.

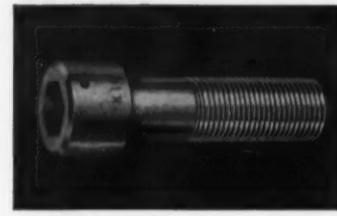
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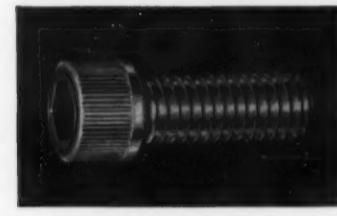
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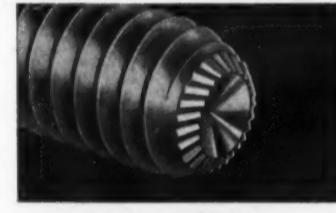
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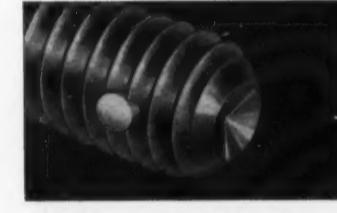
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- pHd head, Hi-Life thread

### SOCKET SET SCREWS:



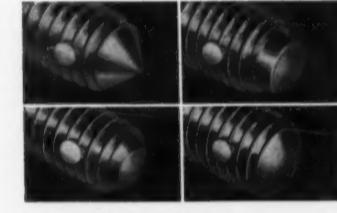
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# GAO Unveils New 'Chamber of Horrors' in Defense Procurement

Washington—The General Accounting Office presented another "chamber of horrors" in wasteful defense buying of aircraft replacement spare parts to the House Armed Services Investigations Subcommittee last week. The presentation came as the committee undertook what its chairman, Rep. F. Edward Hebert (D-La.), called "the beginning of an orderly review and examination into why 86% of defense dollars must be negotiated, and why \$8-billion in material is

being purchased from single supply sources.

For years, Hebert has been conducting a crusade of sorts to prod the Pentagon into more competitive procurement practices. Hebert has been peeved by the Defense Dept.'s habitual use of exceptions in the Armed Services Procurement Act to negotiate contracts rather than conduct open advertised bidding, and to select single supply sources.

As Hebert and GAO see it, the law's intent is to assure maximum

competition on defense contracts, preferably through advertised bidding. In general, the exceptions in the law allow the Pentagon to negotiate contracts and to select single supply sources when competition is "impractical" and in cases where delays in delivery and duplication of contractor investment are to be avoided.

## 47 Cases

GAO's report, covering procurement of 2,770 types of air-

craft replacement spare parts, cited 47 specific cases in which the agency said there was noncompetitive procurement of spares completely manufactured by subcontractors. The GAO said the three military services were charged a total of \$4.2-billion for goods on which the subcontractor price totaled \$1.9-billion.

The agency reported that the services buy "the vast majority of aeronautical replacement spare parts from the original manufac-

turer of the military equipment involved, even though many of the items bought could have been made by several manufacturers or were items that were completely fabricated by a subcontractor using drawings and technical data that were or should have been in the possession of the government.

"Therefore, it is our opinion that there has been a substantial amount of unjustified noncompetitive procurement of these parts. Our review of these procurements strongly suggests that the cost to the government of the replacement spare parts so procured has been needlessly increased by a substantial margin. In those cases where the military services have changed from noncompetitive procurement to competitive procurement, price reductions have averaged 30%."

## Use of 'Open Contracts'

Specifically at issue in GAO's complaint is the military's use of "open contracts" in sole-source procurement. These are contracts usually negotiated on an annual basis, in which the military agrees to buy unknown quantities of unspecified parts during the year and to set prices after the orders are placed.

GAO charged that military contracting officers normally make "little effort to find or develop competitive sources of supply" for spare parts.

A "substantial number" of parts were bought, the agency said, in cases where the prime contractor purchased the items complete from other suppliers. GAO said this shows that the prime was "not the sole source of supply." In other open contract cases, GAO said the parts were made by the prime contractor himself, and that the military procurement agency had adequate technical data and rights to promote competitive buying from several potential sources.

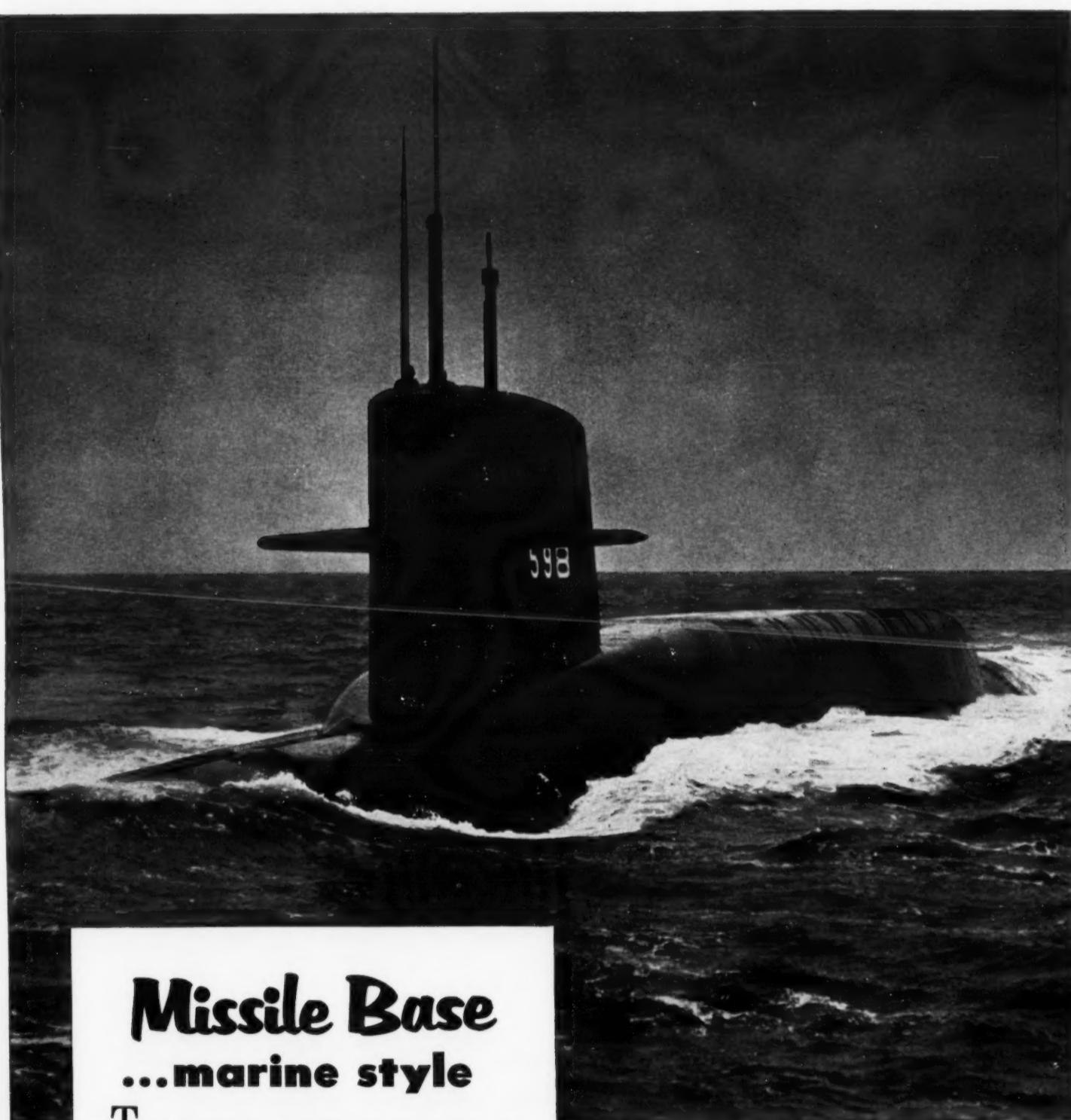
## Typical Case

A typical case cited by GAO: Thompson Ramo Wooldridge, Inc., sold armatures and helical gears to the Air Force under four contracts for \$1.6-million, after buying the parts for \$783,035 from Westinghouse Electric Corp. and Equitable Engineering Co.

Rep. Porter Hardy (D-Va.), a member of Hebert's committee, said the difference, \$847,840, was more than a 100% markup and represented "tremendous profits at the cost of the taxpayers." He said the Air Force should have gone to the original manufacturer at the start.

In a similar case, the Navy bought rocker box cover gaskets for \$705,814 under a negotiated contract with United Aircraft Corp.'s Pratt & Whitney Div. The parts had been purchased, in turn, from the Vellumoid Co. for \$298,613. GAO charged that five other companies produce the same item, but that the Navy failed to seek competitive bids.

The Defense Dept. has been asked to explain the cases to the Hebert Committee after June 21. Meantime, President Kennedy told Hebert in a private meeting he would order the Pentagon to cooperate in the committee's inquiry.



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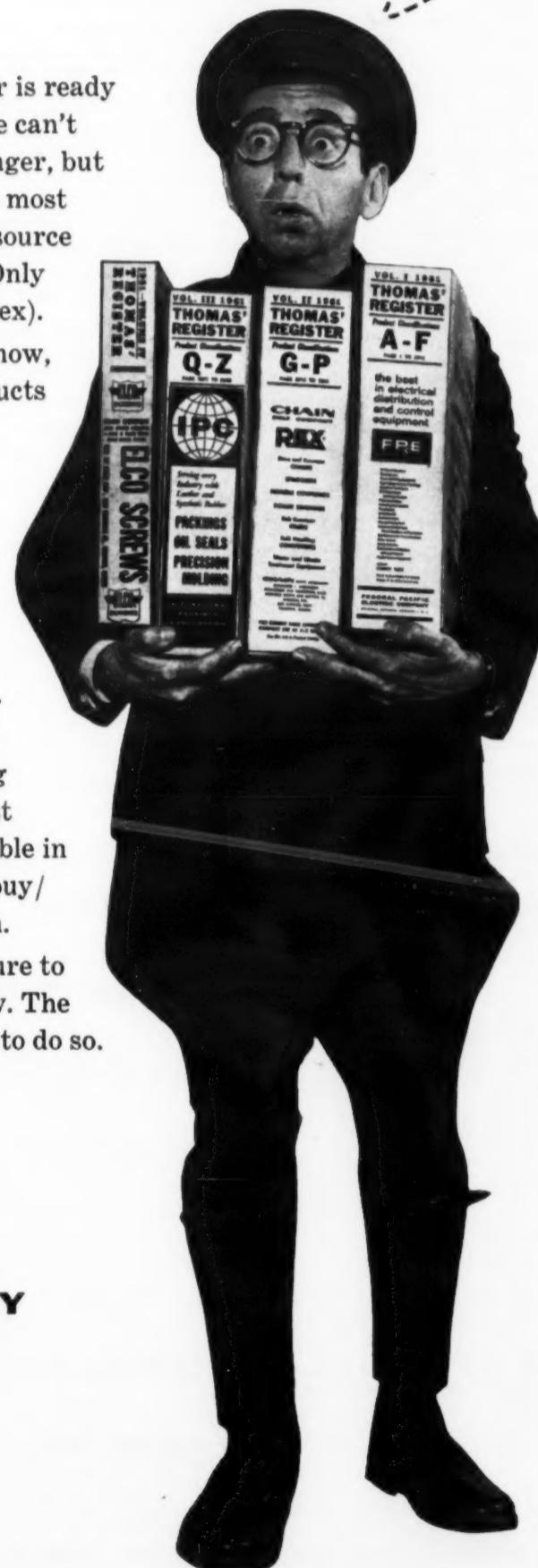
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Vol. 4, No. 23

# Purchasing Week

June 5, 1961

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## Management Memos

### Dollar Depreciation

The decline in the purchasing power of the dollar—the inverse of inflation—is not nearly so serious as the economic alarmists have made it out to be.

The First National City Bank of New York has collected figures that show the dollar has stood up better than the currencies of most industrial countries in the period 1950-60. The compound rate of shrinkage during this period, according to National City, was 2.1%—which is another way of saying that a 1960 dollar will buy 81 cents worth of the same goods and services that it would have in 1950.

Only Belgium and Switzerland of the Western industrialized countries have lower depreciation rates, the report says—1.44% and 1.9% respectively. Germany has the same rate as the U.S., Canada is slightly higher at 2.2%—and Italy (2.9%), Great Britain (3.9%), and France (5.4%) are much worse off than the U.S.

A surprisingly low rate of shrinkage is found in some of the agricultural economies, such as Philippines and Ceylon (.7%) and Portugal and Guatemala (.9%). In others, such as Brazil and Argentina, we find the opposite extreme—a runaway inflation that has reduced the currencies of both countries to about a tenth of their 1950 value.

The moral of all this: Depreciation is a universal phenomenon—and it can only be measured in any given country in terms of the depreciation of other currencies.

### Free Advertising

Businessmen with an eye to the main chance are cashing in on the free advertising given Brand X by TV commercials.

A British shopkeeper, for instance, is turning out 45,000 boxes of Brand X soap powder a day from a makeshift factory in Manchester. No big claims for his product, mind you—but it will get clothes clean, he maintains.

U.S. consumers now can shell out their money for a Brand X whiskey, a Brand X window cleaner, as well as the Brand X cigarettes put out by the three alert men from Madison Avenue who may have sparked the whole idea. The three report they have gotten back their original investment and that Brand X cigarettes are going strong on college campuses, with Dartmouth, Cornell, and Wisconsin reporting the biggest sales.

### Straight from the Horse's Mouth

#### Thinking of applying for a bank loan?

J. M. Scarborough, a loan officer at the Wachovia Bank & Trust Co., Winston-Salem, N.C., offers sound advice on the right way to a banker's heart, especially if you're a small businessman. His advice in a nutshell: Be frank and above-board and, above all, come armed with all the pertinent facts.

But that isn't all. The banker also will want to know something about conditions in your industry and how your firm fits into the general economic picture. And bankers are becoming more and more interested in the quality of the management, as well. "If the banker can convince himself that the managers of the business are honest and that they possess outstanding ability, he is prepared to be more liberal in extending credit to them," says Scarborough, writing in *Textile World*.

Here are some of the vital statistics bankers look for:

• **Earnings record.** This is shown by your profit-to-net sales and profit-to-net worth ratios.

• **Quantity of assets.** This is evaluated by means of two ratios—the current ratio and the net worth-to-debt ratio.

• **Quality of Assets.** This is shown by the sales-to-inventory ratio and the sales-to-receivables ratio. The latter is a gage of how long it takes customers to pay their bills.

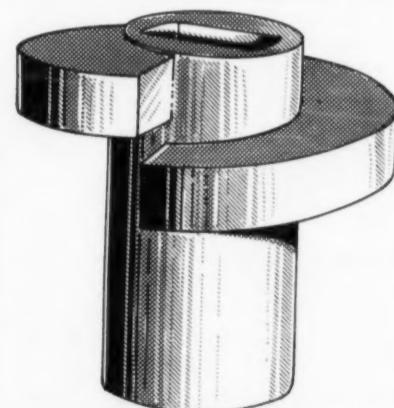
A final note of caution: "In analyzing your inventories," Scarborough points out, "your banker will be acutely aware of the fact that there is no profit in holding inventory. Profit comes from selling inventory. Out-of-balance inventory can have a tremendous effect on soundness of the borrower."

### Cash Budgeting for Beginners

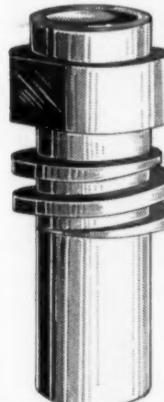
A lucid and down-to-earth explanation of a key item of financial planning, the cash budget, has been published by *Industrial Distribution*, a McGraw-Hill magazine. It's particularly valuable for P.A.'s because it discusses inventory ratios and methods of planning monthly purchases ahead of time.

The booklet covers the five elements of cash budgeting: the monthly operating budget, cash flow, the cash position, purchases, and month's end reports. The examples are clear and easy to follow, and though made up for a business that buys all its inventory, the principles still apply to manufacturing industries. Title: "Cash Budgeting: Key to Financial Planning." Price is 25¢, and it's available from *Industrial Distribution*, Reprint Dept., 330 W. 42nd Street, New York 36, N.Y.

### WHAT VALUE ANALYSIS CAN DO FOR YOU



**BEFORE ANALYSIS:** Distributor cam for automatic bowling pinsetter was machined from steel stock. Complex shape required many expensive cutting operations.



**AFTER ANALYSIS:** Cam was redesigned as a powder metal part. Pre-alloyed bronze powder eliminated all machining. Cam was oil-impregnated to improve lubrication.

Source: American Machine & Foundry, New York, N.Y.

**TECHNIQUE:** Consider  
new production  
techniques.

**SAVINGS:** Part  
cost cut 90%.

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**Do you impose a limit  
on sales calls? Explain.**



**J. D. Mihalick, purchasing agent, Continental-Emsco Co., (couplings & swivel joints, etc.), Houston, Texas:**

"We have no official time limit. The length of the call is up to the buyer. Out-of-town callers, and those making infrequent calls, are given sufficient time to make their presentations. Weekly callers are sufficiently familiar with our system so that their calls are short—small talk is not encouraged. New salesmen are permitted all the time needed to acquaint the buyer with his product or products."



**Robert Hee, purchasing agent, Hawaiian Tuna Packers, Ltd., Honolulu, Hawaii:**

"No time limits are set. Many items require additional information as to quality, specifications, price, and availability. It is much easier on our purchasing department to have sales representatives call and explain details of new machinery and parts rather than to read all the literature sent us. Many items are not stocked or manufactured in Hawaii."



**R. J. Saunders, purchasing agent, Carling Brewing Co., Natick, Mass.:**

"It is my personal policy not to impose a time limit. My first rule is to see as many salesmen as time permits and to treat each courteously, sympathetically, and frankly. The one factor that I keep in mind, which certainly does influence the time limit, is not to waste the salesman's or my time. Because I consider a salesman a valuable source of information, I am always willing to hear him out and, at the same time, determine if my company has a particular need for the merchandise he is offering."



**T. A. Harris, director of purchases, Pacific Vegetable Oil Corp., San Francisco:**

"No, nor do we establish set calling hours. We try to see as many salesmen as possible, but this does not always work out. Salesmen's visits fall generally into three categories: those with whom we have business immediately at hand, routine calls, and introductory visits. The value of each varies, and time must be allotted accordingly. However, there are many ways to terminate a visit more diplomatically than setting a time limit. One of the greatest assets an individual can develop is the ability to project himself into another person's place."



**T. F. Trowell, administrative assistant to plant manager, Maxwell House Co. Div., General Foods Corp., Jacksonville, Fla.:**

"The duties of purchasing agent as well as maintaining good community relations are my responsibility. I do not impose a time limit on sales calls and try to talk to all sales people calling on us. If we cannot use their product, I explain this right away so as not to take any more of their time or mine. If we can use their product, I discuss it with them fully and in some cases call in the head of the particular department involved."



**R. L. Swift, purchasing agent, Walker Div., I-T-E Circuit Breaker Co., Atlanta:**

"No. A good salesman doesn't have to be led by the hand in determining either the time limit or frequency of his calls. However, the buyer is usually in a better position to determine when a sales call should be closed and we place the responsibility on him to close an interview quickly and courteously when necessary. When it is apparent that sales calls are stretching beyond a reasonable time, we feel there is something wrong with the buyer, not the salesman."

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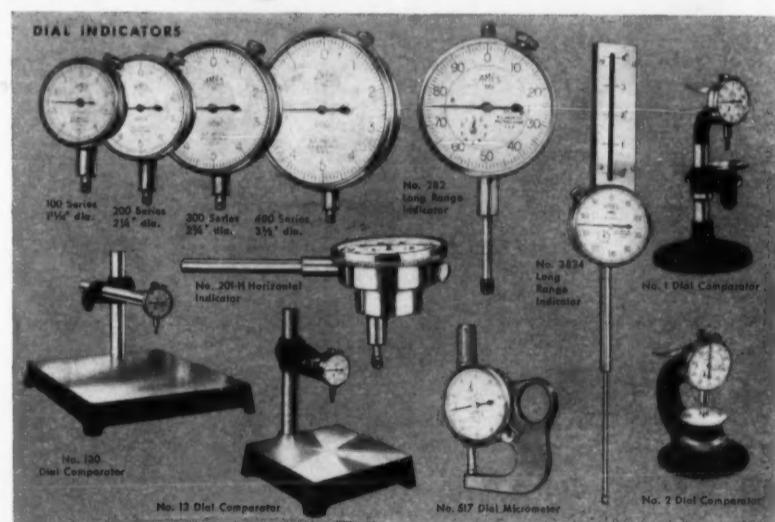
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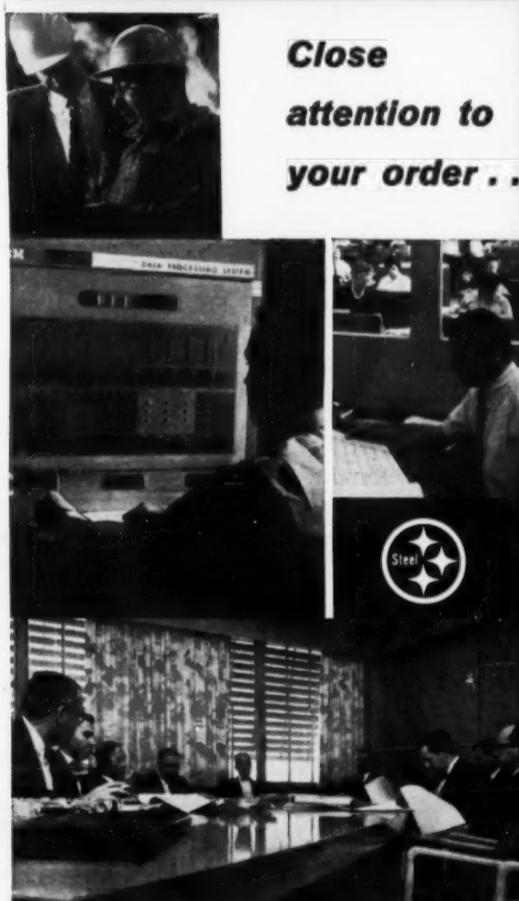
## New Slates of Officers Taking Over In Purchasing Agent Assn. Chapters

**New York**—Election of officers got into high gear among regional associations, with the following slates of officers reported for the coming year:

• **Purchasing Agents Assn. of Buffalo.** President, Roger S. Josselyn, assistant P.A., Westinghouse Electric Corp.'s Cheektowaga plant; 1st vice president, Leonard J. Chisholm, Curtis Screw Co.; 2nd vice president, Frank P. Best, Linde Co.; secretary, Paul F. Ash, Hewitt-Robins

Inc.; treasurer, Walter A. Duszynski, Acme Builders Supply & Hardware, Inc. Directors: William E. Goins, General Mills; Edgar Kowalski, Conax Corp.

• **Purchasing Agents Assn. of Chicago.** President, Richard B. Berry, deputy P.A., City of Chicago; 1st vice president, Roy F. Selsich, Radio Industries, Inc.; 2nd vice president, Glenn Reinier, Abbott Laboratories. Board of Governors: Andrew Kolar, Link-Belt Co.; Sam Mesha, Arnold Schwinn & Co.; David L. Koontz, American Steel Foundries.



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R. C. Cox R. B. Berry

• **Purchasing Agents Assn. of Evansville, Ind.** President, Royce C. Cox, asst. P.A., Texas Gas Transmission Corp.

• **Purchasing Agents Assn. of Florida.** President, Ralph H. Griffith, Bond-Howell Lumber Co.; 1st vice president, Ralph R. Siller, State Purchasing Commission; 2nd vice president, Peter A. LoBianco, Crystal Springs Water Co.; secretary, C. J. Hemandon, Aetna Steel Co.; treasurer, Col. P. R. Cornwall, Patrick Air Force Base; national dir., Robert P. Raith, Belcher Oil Co. Directors: G. Q. Butler, Martin Co.; A. C. Dobay, City of Hollywood, Fla.; Wm. Finger, Dixie Lime Prods.; James B. Hoon, Intl. Mineral & Chemical Co.; Monroe Jordan, Vaugh & Wright; J. J. Mate, General Electric Co.; Mary C. Smith, Escambia Hospital; H. L. Mick, Parker & Mick.

• **Purchasing Agents Assn. of Cleveland.** President: Stewart P. Brownell, supervisor, staff services, Purchasing Dept., Cleveland Electric Illuminating Co.; 1st vice president, Paul P. Averill, Warner & Swasey Co.; 2nd vice president, Stephen Bodner, Bearings, Inc.; secretary-treasurer: J. Vince Collins, Jr. Porath Realty Co. Outgoing president William H. Conant, Weldon Tool Co., will be national director.

• **Columbus Assn. of Purchasing Agents.** President, Raymond I. Wells, I. H. Schlezinger & Co.; 1st vice president, Charles Slauter, Ebcu Mfg. Co.; 2nd vice president, Wallace W. Black, Diamond Power Specialties Corp.; secretary, Harrison L. Hays, Owens-Corning Fibreglas Corp.; treasurer, John H. Inskeep, Columbus & Southern Ohio Electric Co.; local director, David H. Ferry, Federal Paperboard Co.'s Federal Glass Div.; board member, Donald L. Stone, Western Electric Co.

• **Purchasing Agents Assn. of Eastern New York.** President: J. Burton Montgomery, General Aniline & Film Corp.; 1st vice president, Mark B. Patten, Jr., Behr-Manning Co.; 2nd vice president, Wm. C. Bryant, Jr., National Commercial Bank & Trust Co.; secretary, Richard W. Keeler, John A. Manning Paper Co.; treasurer, Robert W. Van Beuschen, Fort Orange Paper Co. Outgoing president Austin A. Woodward, vice president of

Woodward Co., was elected national director. Newly elected to the executive committee Clarence E. Anderson, Ford Motor Co.; Donald B. MacAuley, West Virginia Pulp & Paper Co.; George W. Painton, Eddy Valve Co.; Alfred E. Renzi, Mohawk Paper Mills, Inc.; Lester E. Waters, General Electric Co.

• **Georgia Assn. of Purchasing Agents.** President, Robert E. Dunn, H. W. Lay & Co., Inc.; 1st vice president, H. P. Williamson, Georgia Power Co.; 2nd vice president, James A. Hatley, South Wire Co.; secretary, Marie Sayne, Atlanta Gas Light Co.; treasurer: James S. Mitchell, Jr., White Electrical Construction Co. Directors: B. A. Hettel, Armstrong Cork Co.; J. Wallace Johnson, First National Bank of Georgia; James B. Dixon, Southern Mills, Inc.; Fred E. Kreiss, Jr., Buick-Oldsmobile-Pontiac Assembly Div.

• **Purchasing Agents Assn. of Houston.** President, Roy G. Stockton, Reed Roller Bit Co.; vice presidents, A. L. Sweitzer, Stauffer Chemical Co., and Byron P. Sadler, Tennessee Gas Transmission Co.; national dir., W. R. Stelzer, Alcoa; treasurer, R. C. Marr, National Lead Co.'s Baroid Div.; secretary, Andrew Galayda, Texas Gas Corp. Directors: J. F. Boydston, Texas Electric Steel Casting Co.; C. O. Thompson, Texas Eastern Transmission Co.; J. E. Condon, Shell Pipe Line Corp.; J. C. Calkins, Humble Oil & Refining Co.; Shaw Cranfield, Texas Gulf Producing Co.

• **New England Purchasing Agents Assn.** President, Stuart H. Flanders, Maxim Motor Co.; vice president, Walter F. Kopke, Jr., Plymouth Cordage Co.; treasurer, Herbert A. Hamilton, Jr., Sperry Rand Corp.; national director, Wm. C. Kendrick, H. P. Hood & Sons, Inc. Directors: Arnold D. Finley, Sylvania Electric Prods. Inc.; Philip Polansky, Eagle Shoe Mfg. Co.; Winthrop E. Prescott, The Kendall Co.; Harold Bloom, Avco Corp.'s Avco Everett Research Laboratory Div.



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• **Purchasing Agents Assn. of San Antonio.** President, Albert T. Tripp, City Purchasing Dept.; 1st vice president, H. L. Thulemeyer, Lone Star Brewing Co.; 2nd vice president, F. A. Owings, San Antonio Water Board; secretary, R. A. Davenport, Midcap Bearings Co.; treasurer, E. J. Petsch, Friedrich Refrigerators, Inc. Outgoing president B. C. Jackson, City Public Service Board, was elected national director; alternate national dir., Bryan Gouger, City Public Service Board. Directors: Maxine Wirth, Lackland Air Force Base; Frith Arnold, Alamo Iron Works; Herman E. Cooper, San Antonio Machine & Supply Co.

• **Purchasing Agents Assn. of Northern California.** President, James D. Hahn, University of California's San Francisco Medical Center; 1st vice president, Duncan Gregg, Kaiser Aluminum & Chemical Corp.; 2nd vice president, John S. Millar, Sperry Gyroscope; secretary, Ben A.

Wilson, Fibreboard Paper Prods.; treasurer, E. E. Schultz, Union Oil Co.

• **Purchasing Agents Assn. of North Central Ohio.** President, Vernon S. Smeltzer, Ohio Brass Co.; 1st vice president, Woodrow Wilson, Westinghouse Electric Corp.; secretary, Thomas G. Roehm, Hartman Electric Co.; treasurer, Harold Eddington, Eagle Rubber Co., Inc., senior director; Calvin Snyder, North Electric Co.; national director, Dick Shepherd, Shelby Salesbook Co.

• **Rhode Island Purchasing Agents Assn.** President, Thomas L. Battle, Improved Seamless Wire Co.

(Continued on page 14)



COLUMBUS: (Seated, l-r), Natl. Dir. H. L. Johnson; Pres. R. I. Wells, 1st v.p. C. H. Sauter. Standing: Dir. D. L. Stone; Treas. J. H. Inskeep; Secy. H. L. Hays; 2nd v.p. W. W. Black; Local Dir. D. H. Ferry.



SOUTHWESTERN MICHIGAN: (l-r), Pres. P. V. Ernst; Exec. Vice Pres. Earl Nelson; Vice Pres. E. J. Sokolowski; Natl. Dir. P. F. Barthold; Secy. A. A. Parker; Not shown in the picture: Treas. Harry Lisk.

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**Regular Helix**



This is the familiar style and the best helix for most general purpose shop work in steel, forgings, castings, and other ferrous materials. Where extra rigidity is required—as in portable drilling—select a regular helix drill with heavy duty construction.

**Fast Helix**



In general the fast helix is selected for drilling materials of low tensile strength like aluminum, magnesium, copper, and thermoplastics. These materials produce a large volume of chips and the low angle of incline of the flutes is specially suitable for their removal. Where chip removal is slowing drilling, the fast helix may solve the problem.

**Slow Helix**



This drill is generally used for materials that break up into very small or powdery chips...as occurs in drilling brass; hard rubber; thermo-setting plastics such as bakelite; fibre and plastic laminates. These drills are of light construction with wide flutes and are not usually suitable for heavy duty work.

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◀

## New P.A. Association Officers

(Continued from page 13)

• National Assn. of Purchasing Agents-Southwestern Michigan (formerly Kalamazoo Valley Assn. of Purchasing Agents). President, Paul Ernst, Burroughs Mfg. Co.; executive vice president, Earl Nelson, Checker Cab; vice president, Emil Sokolowski, Western Michigan University; national dir., Paul F. Barthold, Beach Prods. Inc.; secretary, Albert A. Parker, Ihling Bros.-Everard Co.; treasurer, Harry Lisk, Pioneer Paper Stock Co.

• Purchasing Agents Assn. of

Utah. President, E. Thomas Lloyd, Beneficial Life Insurance Co. Vice president, Alma C. Mauss, American Oil Co.; secretary, Richard W. Ashard, Zion First National Bank; treasurer, John Weigel, Utah Sand & Gravel Products Co.

• Purchasing Agents Assn. of Washington: President, Roger E. Stoy, Crown Zellerbach Corp.; 1st vice president, Blair C. McTaggart, American-Marietta Co.; 2nd vice president, Max Caddes, Coast-Lee & Eastes, Inc.; treasurer, Charles A. Beffa, Seattle Packing Co.; secretary, M. C. Michener, Craigin & Co.; national director, Henry G. Russell, Bellevue Public Schools.

• Purchasing Agents Assn. of Washington, D. C. President, Walter M. Prichard, procurement manager, Emerson Research Laboratories; 1st vice president, Wm. F. Curtin, International Bank for Reconstruction & Development; 2nd vice president, Leonard A. Larson, Evening Star newspaper; recording secretary, Ruth A. Palmer, Logtronics, Inc.; financial secretary, Mary Wibel, National Education Assn.; treasurer, Leroy S. Zepp, Ginn's Stockett-Fiske; asst. treasurer, Anthony A. Agnew, J. B. Kendall Co.; national director, Alvin M. Sebastian, Washington Brick Co.



William A. Wells

• Purchasing Agents' Assn. of Toronto. President: William A. Wells, Canada Iron Foundries, Ltd.; 1st vice president, Gordon E. Marshall, Chesebrough-Pond's, Ltd.; 2nd vice president, Chris W. Tugman, Standard Paving & Materials, Ltd. Directors: Paul J. Campbell, Molson's Brewery, Ltd.; Christopher W. Lusty, Pilkington Bros., Ltd., Wilfred H. Porter, South Peel Board of Education; J. Ross McMurray, Canadian Oil Companies, Ltd.; Charles W. Witherell, Anaconda American Brass, Ltd.

## International Tin Council Delays Action on Prices

London — The International Tin Council is deferring eventual new price measures until after a new five-year agreement goes into effect July 1. It means little change in over-all international price levels until that time.

The Council ended its three-day meeting here with a laconic communiqué stating merely that members had surveyed the statistical position of tin and considered steps which might be taken to deal with the situation indicated by the survey. Next council meeting will be in London on June 27.

Trade sources feel higher tin ceilings in the short run would have little effect in increasing production since maximum efforts are already being made.

## GLID-TILE

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**REX PLATE TOP**—with new Delrin "snap-on" plates that are not affected by moisture.

**REX TABLETOP OF DELRIN**—a new Rex "tops" conveyor chain that resists moisture, and retains strength and shape under heavy, wet applications.

**REX CHABELCO CONVEYOR CHAIN WITH DELRIN-BUSHED ROLLERS**—a new chain that's designed for greater wear life.

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# P.A. Discount Tactics Rouse Chemical Industry Credit Managers

(Continued from page 1)

of P. A.'s trying to take the discount after the 10-day period allowable.

In such cases, he said, he sends back the check for the account payment and notes that it is not sufficient to pay the amount due. Larson added, "If we've been waiting 90 days for the payment we put the check through and then debit the customer's account for the amount of the discount."

Roger A. Hall, credit manager Central Michigan Paper Co., pointed out that in some instances his company grants the discount even though the payment arrives as much as five days late. "We drop a friendly letter to the customer and let him know that the payment was late but that we are accepting it in this instance. It seems to give the customer a good feeling and creates good will for us," Hall remarked.

One panelist complained that compa-

nies are claiming that accounts are on punch card systems and all delays are the fault of the machines. "That is nothing but an excuse for the buyer to delay payment. They're using automation as the easy way out," said Ralph H. Johns, manager of the Indiana Assn. of Credit Managers.

"We recommend returning the check that is short the amount of the discount," Johns continued. "You can put on pressure to collect a \$20,000 past due account, but how much pressure can you apply to recover a \$200 claimed discount?"

## Different View

A different view came from George G. Perry of Stokely Van Camp, Inc. Perry said his company accepts payment, even though the amount of the discount is billed back to the customer. "Let's face it, the payment represents capital and

that's essential to running your business, so you can put it to good use while you are collecting the discount," he said.

Toughest blueprint for putting pressure on P. A.'s who stretch the discount rule was outlined by George T. Brian, Jr., Baltimore of Noxzema Chemical Co. Said Brian, "The sensible approach is to meet the problem head-on in an amicable manner. Sometimes it's sensible to accept the customer's oversight. We drop him a letter and explain that in this first instance we assume there was some unforeseeable delay in his office to account for the delay and that we will forgive it in this instance, but no more."

"The second time the customer tries it, we bill him right away and notify him by letter that he's late and ineligible for the discount. And in the third instance, if it's the same customer, we simply withhold the shipment."

Stating that he has never lost a cus-

tomer by disallowing an overdue discount claim, John Oole of Steelcase, Inc., added, "Things are really pinching, and with some companies, that 2% discount is the difference between profit and loss at the end of the year. That's why a lot of them are trying to get it even after the discount period expires. But we don't let them get away with it."

The credit managers were somewhat less adamant concerning request for an extra 60-90 day extension from large well-rated companies. Credit manager for Chemagro Corp., Harold C. Gibson, told how he handled one formal request from an A-rated company for extended credit terms. "I personally made an overnight trip of several hundred miles to this customer—a big one—and explained why we could not extend the terms," he said.

## Meeting Competition

Olin Mathieson Chemical Corp.'s Little Rock, Ark., credit manager, Eugene Hughes, told the panel the only time he deviates from established credit terms is "when it is necessary to meet competition."

On the other hand, R. E. Johnson, B. F. Goodrich Chemical Co., remarked, "We explain that in our opinion the Robinson-Patman Act probably requires us to extend similar terms to all of our customers when credit is merited and, therefore, we are not in a position to discriminate or honor requests for different terms."

"However, we feel that situations will occur from time to time when a customer is faced with a temporary period of tight working capital. On such occasions we will work with the customer regarding temporary credit arrangements if we are given all the factual data and are satisfied that his request for credit assistance is justifiable."

## Driving Capital Too Hard

Johnson spoke more fully on the problems of credit assistance in another formal address to the NACM gathering. "A business which drives its capital too hard," Johnson said, "is like a man who drives an automobile too fast. At 40 miles an hour a blowout is an inconvenience, but at 80 miles it is likely to be fatal." Thus, in an industry with heavy inventories and big volume, anything which slows down or upsets the rotation, or cash cycle, becomes a crisis.

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## Meeting Slated With Russia On Possible Licensing Pact

New York—A private U. S. firm will open negotiations in Moscow this month that could lead to licensing of Russian products for manufacture and sale here.

The company, National Patent Development Corp., hopes to set up a patent clearing house for handling cross-licensing agreements between U. S. firms and Russia. President Jerome I. Feldman said the Soviets have shown considerable interest in the proposal and may be willing to pay royalties in dollars to holders of American patents, said Feldman.

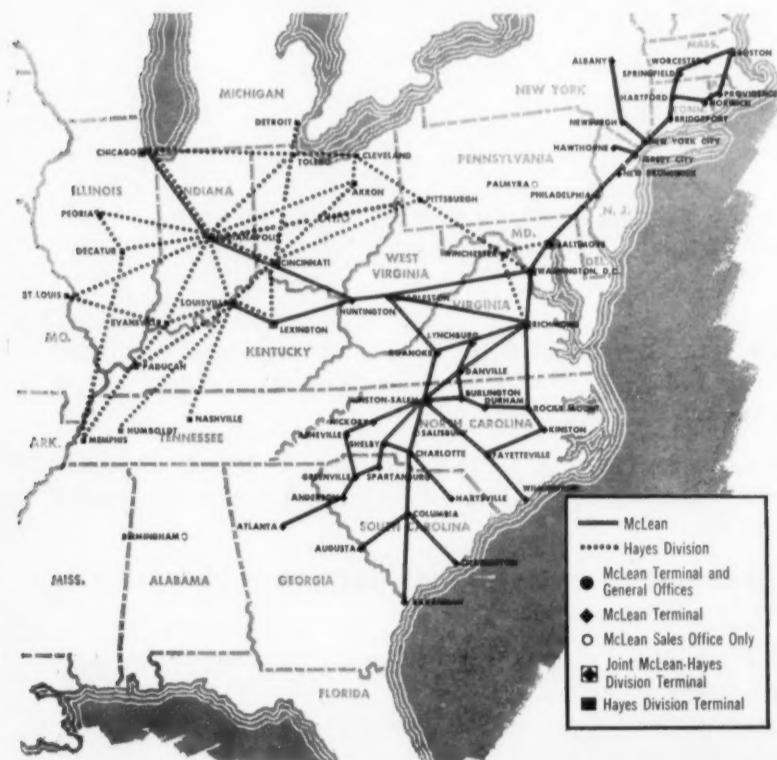
About 300 Russian patents have been filed in Washington in the past year and a half, he said.



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## Aluminum Hopper Trailers Designed For Bigger Hauls of Petroleum Coke

**Hammond, Ind.**—J. Artim & Sons reports cost savings through use of three specially designed all-aluminum bottom dump hopper trailers in a petroleum coke hauling operation.

"The trailers allow us to haul 6,000 lb. more payload per trip than comparable 40-cu. yd. trailers," Artim sales manager Robert McBride said. He also said lower maintenance, gasoline use, and loading-unloading charges had been recorded.

The 32-ft. trailers, designed to Artim's specifications, enable the hauler to transport 51,000 lb. per trip of petroleum coke from Whiting, Ind., to Kaiser Aluminum's coke calcining installation in Gary.

The units were built by Converto Mfg. Co., Cambridge City, Ind., for Trailmobile, Inc., Chicago, using more than 3,650 lb. of Kaiser aluminum sheet and extrusions in each unit. They have an empty weight of 8,050 lb.



NEW ALUMINUM DUMP TRAILERS are providing substantial savings for Indiana hauler, permitting 6,000 lb. more payload per cargo trip.

## Columbia Electric Gets Cougar Dam Contract For Switchgear Work

**Portland, Ore.**—Columbia Electric Co., San Francisco, was declared the lowest bidder on a contract to supply Cougar Dam power project with low voltage switchgear equipment. Columbia bid \$54,319, less a 1% discount for payment within 10 days. Seven other companies had submitted bids ranging up to \$82,493.

The contract includes one 6900-480 v. double-ended substation; one 480-v. duplex control center; one 125-v. d.c., 120-v. a.c. control sources distribution board; two 125-v. d.c. battery chargers; one inverter set, and one lot of accessories and spare parts.

## EDP Control Panels Available for Leasing

**Birmingham**—Control panels for data processing machines are now being leased by TCP Leasing Corp., a newly formed subsidiary of the Tech Panel Co.

According to TCP officials, panels and wires are available from local stocks on a flexible one to three-year lease basis. A panel can be leased for \$1.88 per month under the three-year plan, exclusive of any local taxes. The lessee also has the option to renew his lease, or may exchange panels for units of a different type if he changes his data processing equipment.

## Sylvania Closing Down Subassembly Unit in Pa.

**Houtzdale, Pa.**—Electronic Tube Div. of Sylvania Electric Products, Inc., has closed down its subassembly plant here and transferred production to other division facilities. Sylvania is a subsidiary of General Telephone & Electronics Corp.

A Sylvania spokesman said the action is a direct result of the closing of the company's Mill Hall, Pa., plant, which will be shut about July 1 due to "intensified low-cost foreign competition" and the "increasing use of semiconductors" in electronic equipment.

## FMC to Make Debut

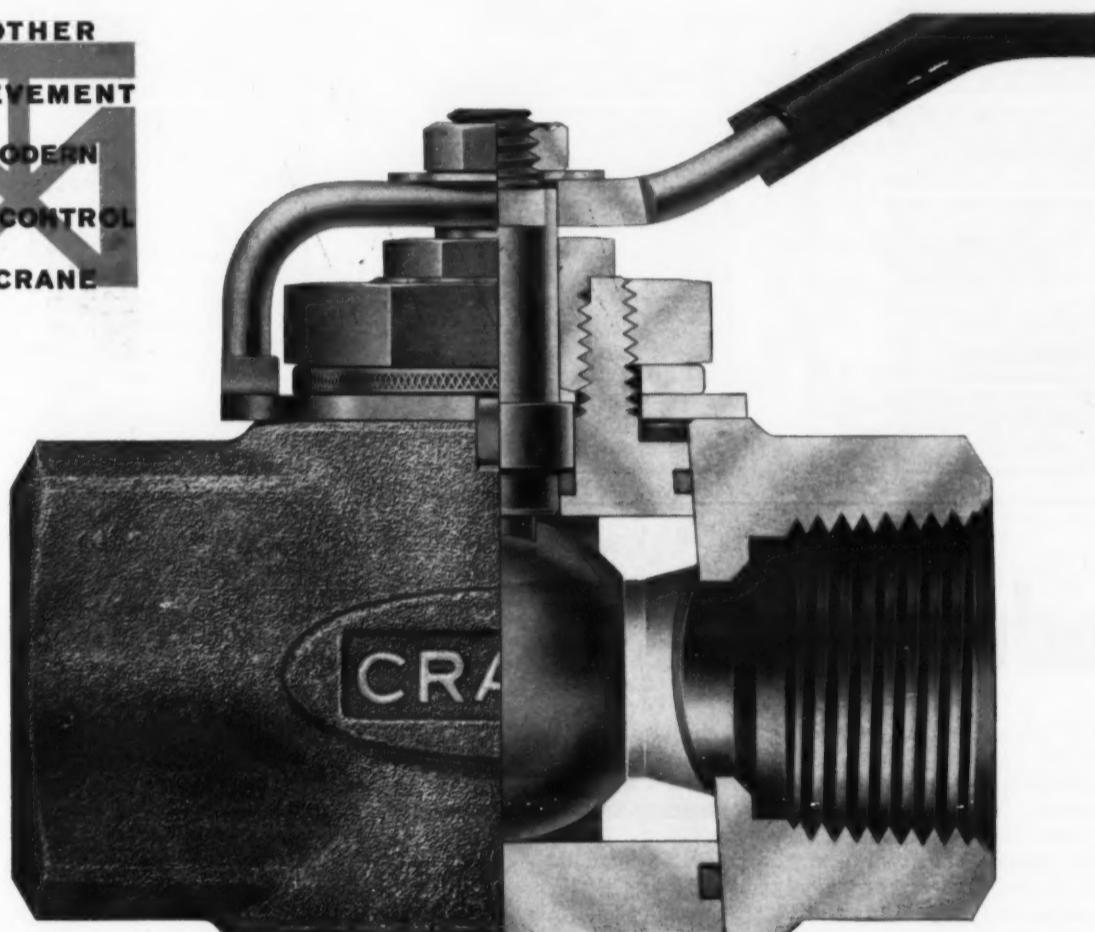
**San Jose, Calif.**—Food Machinery and Chemical Corp., will change its name to FMC Corp. on July 1. FMC chairman Paul L. Davies said the company's diversified production of industrial and agricultural machinery, basic chemicals, and defense material, had caused it to outgrow its name.

## TI Marketing Eight-Watt Thermoelectric Generator

**Dallas**—Texas Instruments is marketing an 8-watt thermoelectric power generator designed to operate from natural gas, propane, or butane. Other power output ranges will be offered soon.

The TI unit is 12-in. wide, 17-in. high, and weighs 65 lb. Initial applications are expected to be in the operation of valves on gas transmission lines or petroleum production facilities, and for cathodic protection of submerged metal, the company said.

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\*Registered DuPont trademark.

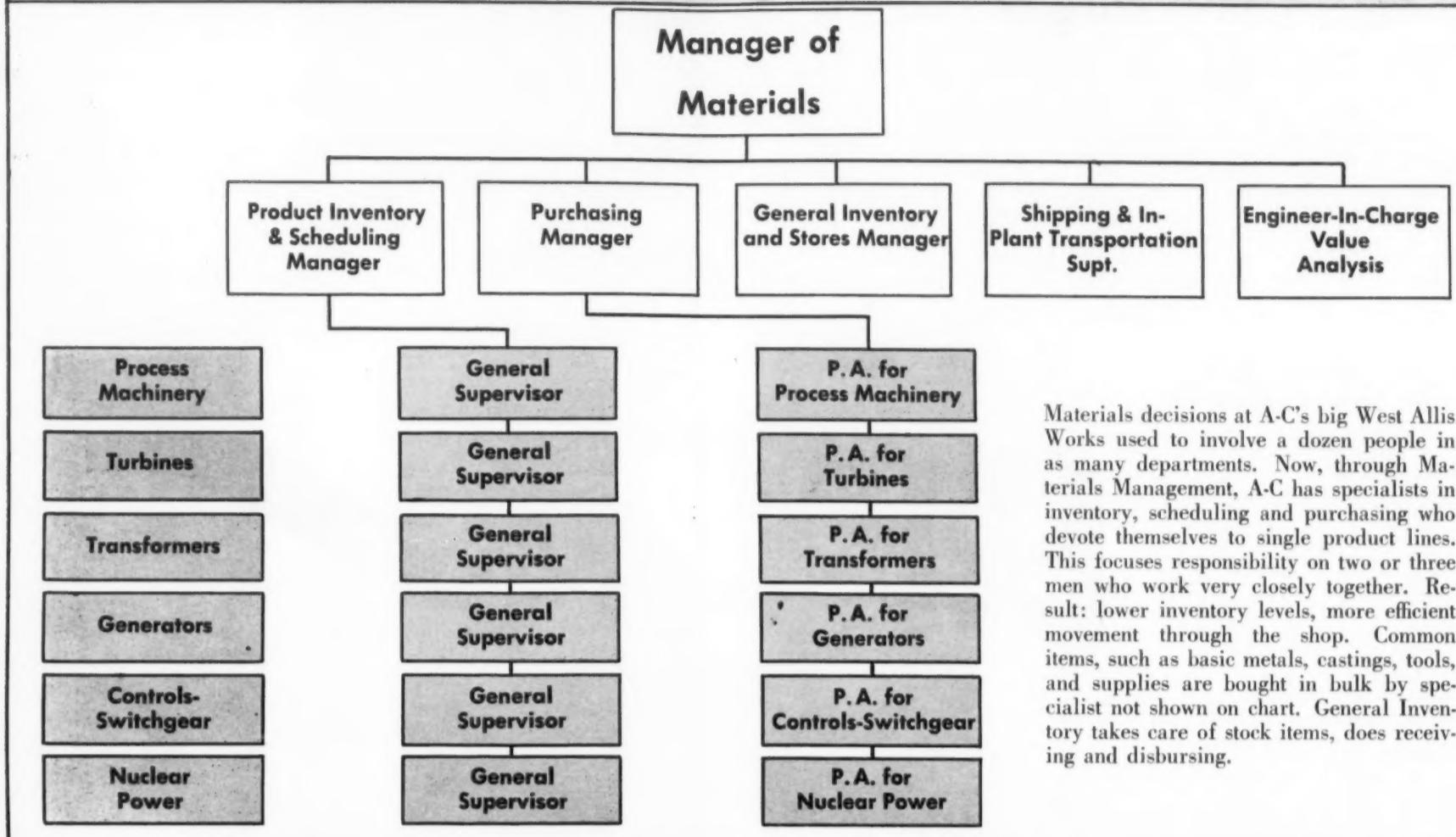
Contact your Crane Distributor or write: Crane Co., Industrial Products Group, 4100 S. Kedzie Ave., Chicago 32, Ill., for illustrated brochure ADB 1001 with complete information on Crane Ball Valves. In Canada: Crane, Ltd., 1170 Beaver Hall Square, Montreal.

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# How Materials Management Looks at A-C



Materials decisions at A-C's big West Allis Works used to involve a dozen people in as many departments. Now, through Materials Management, A-C has specialists in inventory, scheduling and purchasing who devote themselves to single product lines. This focuses responsibility on two or three men who work very closely together. Result: lower inventory levels, more efficient movement through the shop. Common items, such as basic metals, castings, tools, and supplies are bought in bulk by specialist not shown on chart. General Inventory takes care of stock items, does receiving and disbursing.

## 'Product Team' Idea Links Allis-Chalmers P.A.'s

(Continued from page 1)

"Control was the major reason we adopted Materials Management," says Russell A. Heddon, Works Manager and chief line executive at Allis-Chalmers' West Allis plant. "Now I can lay responsibility for material costs and inventory in the lap of one man—the Manager of Materials."

This move toward better control makes the materials and scheduling function parallel the Allis-Chalmers marketing organization, where product managers control the sales and engineering activities connected with each of the six lines of equipment in the A-C Industries Group.

A-C took a year to plan the new Materials Dept., and make the necessary personnel changes. But already tighter control over inventories and purchases brought about through Materials Management has cut \$10-million from inventories and increased the turnover rate 24% during the first six months of operation.

Now control is the key to action in the Materials Dept. under A. Dean Foote, Materials Manager. Foote looks to inventory, scheduling and purchasing managers in charge of each A-C product for cost responsibility. These managers are close to the job, with a minimum of "assistants to" and committee meetings. Six prod-

uct inventory and scheduling supervisors and six P.A.'s handle the management of all product line materials at West Allis.

There are six product managers, one for each product—processing machinery, turbines, transformers, generators, controls and switchgear, and nuclear power. A-C, as many other well-managed companies, has found that pin-point control of the marketing function is necessary for sales survival now that the seller's market has disappeared.

Foote contrasts the clarity of the marketing organization with the tangled materials responsibility in the plant. When orders for A-C products moved in the plant, noted Foote, "you had to go to a dozen people to keep track of an order, or get the necessary materials." This problem was particularly complex at West Allis, the main manufacturing facility for the Industries Group.

"We've been called the world's largest job shop," comments Works Manager Heddon, explaining that bulky but highly complex, ultra-precision jobs like turbines, shielding vessels for nuclear reactors, 160-ton transformers and special processing machinery are assembled in the same plant, sometimes side by side. Product line control ended at the plant door, since manufacturing, scheduling, purchasing, and materials handling were organized on a traditional horizontal



Computer data and inventory chart help materials Mgr. A. Dean Foote (r) and assistant, Milton Schaefer.

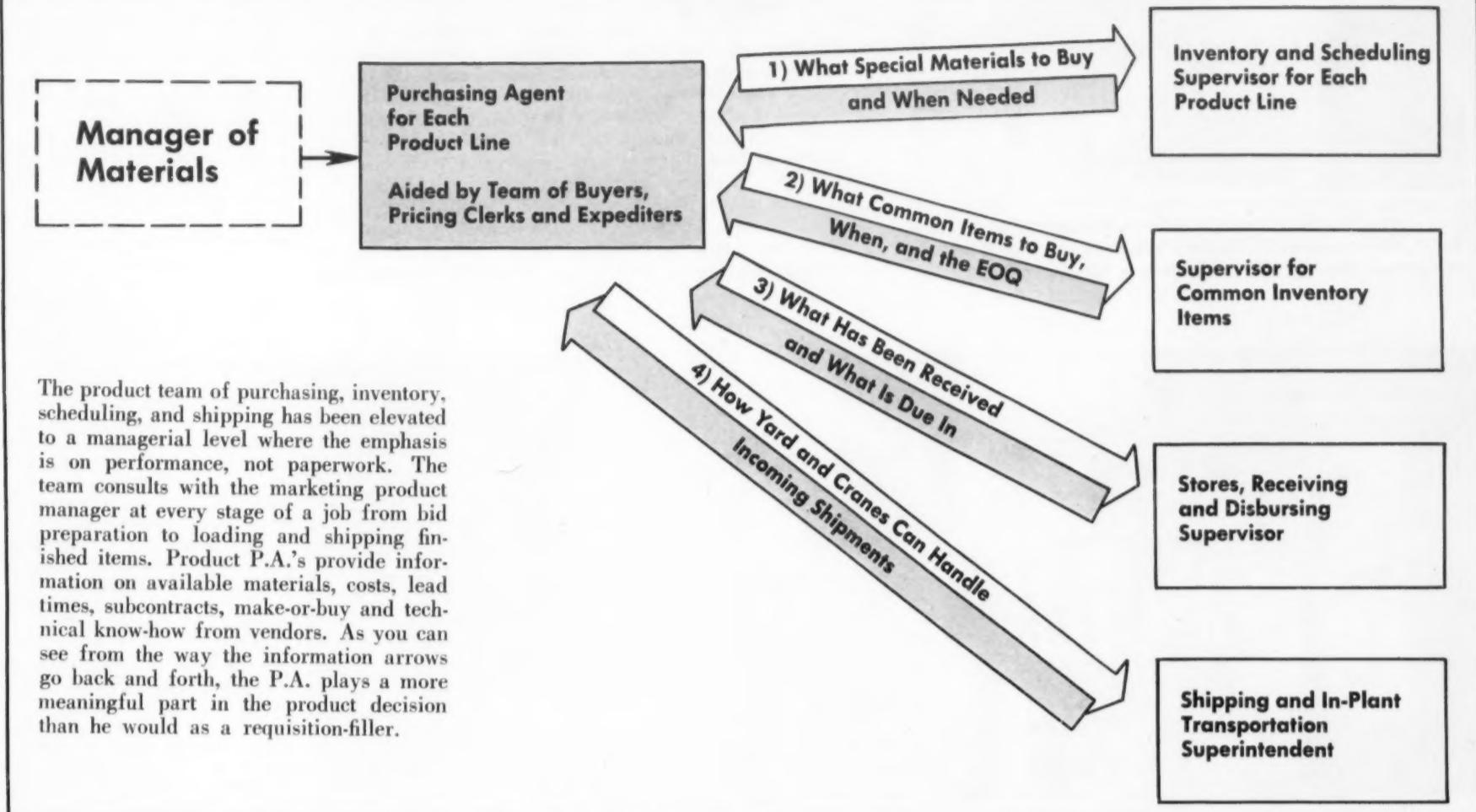


Inventory level is concern of Product Inv. and Scheduling Mgr. John Brinkman (r) and Gen. Inv. Mgr. H. V. Fuller.



Purchasing Mgr. S. C. Bielawski (c) confers with Basic Metals P.A. James P. Kern (l) and Supt. R. E. Joseph.

## **Actually, the P.A.'s Horizon Has Broadened**



# Closer to Sales by Using 'Materials Management'

factory setup. What was needed was an extension of the "vertical" product philosophy into the materials functions, since these jobs had the most contact with the sales product managers.

The answer was Materials Management, but with an important new variation —product teams in inventory, scheduling and purchasing. To bridge the contact gap with product managers, A-C "verticalized" the inventory, scheduling and purchasing departments along the six product lines made in the West Allis plant.

As in the diagram (above, left) the product manager funnels information on his product into the general supervisor for product inventory and scheduling for that product (see gray blocks in diagram). This supervisor serves as the liaison man and expeditor for the product manager, as well as handling inventory purchased especially for that product. He cuts out the necessity of multiple contacts within the materials organization. Now it's the supervisor's job to shepherd the order through scheduling, inventory, purchasing, manufacturing and shipping stages.

"Our product supervisors spend 50% of their time with the product managers," says John Brinkman, manager of the product inventory and scheduling department. "They get close to the Product managers, get to know the budget,

the schedule, what jobs are likely to come along, what materials we may need."

the schedule, what jobs are likely to come along, what materials we may need. Most of the contact is informal, with a two-way flow of information and problem solving (see diagram above). "We insist that the product managers stay with us and analyze the problems together," says Brinkman. "That makes it a joint solution."

Likewise, the product line inventory and scheduling supervisors keep in close touch with their counterparts, the product line P.A.'s. This contact isn't limited to passing along requisitions for filling, however: it's at a management level.

The P.A.'s are in on the planning stages, giving the procurement viewpoint on the product. For instance, the P.A. can get the sales outlook from the product manager through the product inventory and scheduling supervisor. Then he can make his buying plans more intelligently, timing his purchases for better prices and delivery.

Also important on technical products, says Purchasing Manager S. L. Bielawski is pre-design P.A.-engineer contact. "You can get all of your potential suppliers up for consideration before the design is frozen. You can do this more easily on a product-type purchasing, than on a commodity basis." This is because

(Continued on page 26)



Engineer-in-Charge John Dahl and Joseph Snartemo review another VA project. Goal for 1961: \$487,000.



Fuller and Brinkman review daily UNIVAC inventory reports with computer experts from EDP Dept.



Shipping Supt. Edward Mauchezak (2nd, right) and Schaefer watch crew check 160-ton transformer.

# Purchasing Week's Detroit Perspective



P/W BUREAU CHIEF DONALD MACDONALD

Focusing a Purchasing Spotlight

On the Auto Capital

**C**ompetition for a share of the vast tonnages of basic materials consumed by the auto industry every year is fierce—even in areas where profit margins may be substandard.

Consider these figures: In a typical year, Detroit's voracious assembly lines gobble up some 14-million tons of steel, 100,000 tons of copper, and over 400,000 tons of malleable iron, 300,000 tons of zinc, and 200,000 bales of cotton.

Yet these "natural" commodities are not being consumed at the rate per car that they enjoyed even five years ago. The reason is the inroads made by "aluminum, magnesium, and plastic."

This penetration has been accomplished by various techniques. The primary method is a competent technical sales staff resident in Detroit and supported by a considerable budget for displays at automotive engineering society meetings, entertainment, and "soft-sell" literature. Such people deal, by and large, in facts.

Another approach used by some suppliers to reach those who can influence automotive purchasing decisions is a shotgun-type appeal using public communications media, such as Detroit-based radio stations and newspapers. **No one remembers exactly when it all started. It is a specialized version of the institutional advertising common to all industry, but with a big difference.**

Compare a slogan like "Progress is our most important product"—which certainly has contributed to General Electric's corporate image to a radio commercial sponsored by Great Lakes Steel Co. saying in part "you (aluminum) may be strong enough to percolate strong coffee; but as a bumper, if you met a bale of hay you'd fold up like a venetian blind."

The president of Great Lakes, which sells 80% of its output to the auto industry, defends his tactics this way:

"We recently sampled public opinion and found that as a result of several years of uncontested, free-swinging aluminum commercials beamed at the Detroit-Flint-Lansing auto building area, a significant number of people think that the aluminum bumper is already an accomplished fact on U. S. automobiles. And, of course, the truth is that no U. S. car manufacturer has made such a shift. Secondly, we found that too many people think this nonexistent aluminum bumper is superior to a steel bumper, and less costly." (Ed. Note: Aluminum bumpers have been used on Greyhound buses for 15 years.)

"Now," he went on, "we are taking our gloves off, too."

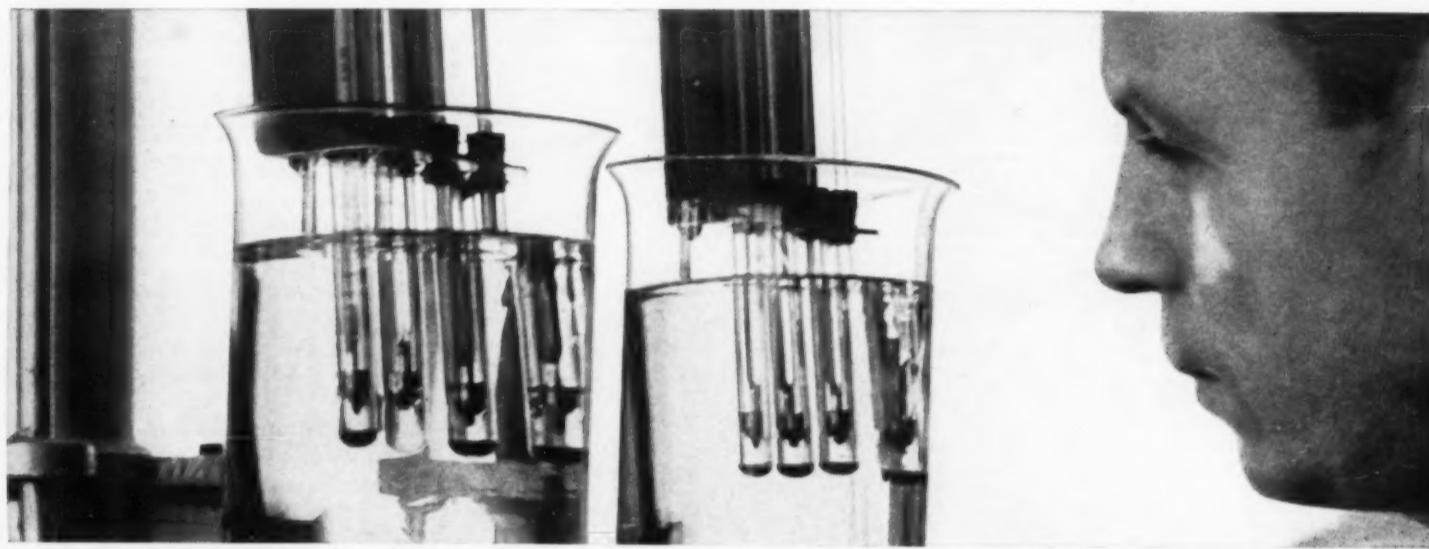
• • •  
In addition to radio, highway advertising also is used. The Tyrex combine of rayon producers is spending about \$100,000 of its \$1.2-million annual promotion budget on billboards—also concentrated in car and tire-building centers. The idea is to emphasize the temporary flat-spotting characteristic of nylon tires.

"We don't care if they make tires of butter, as long as they meet our specifications on cost and performance," is one top automotive engineer's reaction.

• • •  
With no direct reference to Tyrex, Great Lakes, or any other company, another engineer sums up the problem this way: "My non-technical bosses hear those darn ads and come to me asking what gives. It means that I have to sit down, waste my time, and write detailed reports on what we in the laboratory have long ago decided was no good."

Even the automotive press, which is concentrated in Detroit, is pressured. Great Lakes, in demonstrating its claim that steel bumpers are superior, pitted a vehicle equipped with a steel bumper against one with an aluminum bumper of the same shape and style. They met head on at low speed, and the aluminum bumper ended up as fit raw material for a pretzel. However, the bumpers were not only the same shape and style, but also the same gage. This wool-pull worked with some of the press until engineers pointed out that no one would expect aluminum to match the impact resistance of steel, gage for gage.

Alcoa, sensing that the auto industry is annoyed by soap-box selling tactics, issued a mild slap at competitors within and without the aluminum industry. "If aluminum bumpers do become a standard item on mass-produced cars," transportation sales manager George Herrman said, "it will happen because, as in the past, the metal will win acceptance on a competitive, business-like basis—not as a consequence of unproven claims or derogatory comparisons with other materials."



Dropping point test shows how greases react to heat. Beaker fluid has been heated to 390°F. All greases tested except Darina (second tube from left) have passed from solid to liquid state.

## BULLETIN:

### Shell reveals the remarkable new component in Darina Grease that helps it save up to 35% on grease and labor costs

**Darina® Grease is made with Microgel\*, the new thickening agent developed by Shell Research.**

**Darina lubricates effectively at temperatures 100° hotter than most conventional soap base greases can withstand.**

**Read how this new multi-purpose industrial grease can help solve your lubricating problems and even save you up to 35% on grease and labor costs.**

**T**HERE is no soap in Darina Grease. No soap to melt away—wash away—or dissolve away.

Instead of soap, Darina uses Microgel—a grease component developed by Shell Research.

#### What Microgel does

Because of Microgel, Darina has no melting point. It won't run out of gears or bearings.

Compared with most conventional soap-base greases, Darina provides significantly greater protection under adverse service conditions.

Mix water into Darina and the

grease does not soften. It shrugs off water—won't emulsify.

#### Resists heat

Darina will withstand operating temperatures 100° hotter than most conventional multi-purpose greases. It cuts leakage and reduces the need for special high-temperature greases.

Also, Darina resists slumping, thus forming a more effective seal against foreign matter.

#### Saves money

Shell Darina can reduce maintenance expenses while it protects your machin-

ery. Savings of up to 35% on grease and labor are quite possible.

In some cases lubrication intervals have been extended to double what they were before. Less grease is consumed and less time consumed applying it.

For details, see your Shell Representative. Or write: Shell Oil Company, 50 West 50th Street, New York 20, New York.

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# White House Drafting Transport Message

**Washington** — President Kennedy is considering sending Congress a special message on transportation problems. Among other things, he is expected to recommend a Congressional crackdown on certain competitive rate-making practices.

A message is now in the drafting stage at the White House. Whether it is forwarded to Congress depends on whether there is enough substance to warrant a special communication from the President. If not, the President's proposals will be sent up as draft legislation.

Aside from this, Kennedy definitely plans to submit to Congress soon a reorganization plan for the Federal Maritime Board. He is expected to call for an enlarged board and a divorce of its connection with the Maritime Administration. At present, the chairman of FMB, which is a regulatory agency, is also the Maritime Administrator, charged with administering subsidies and other shipping promotional programs. Critics contend that promotion tends to prejudice regulation.

A hint of the Kennedy Administration's emerging over-all transportation policy came in a speech delivered recently by Clarence D. Martin Jr., under secretary of commerce for transportation.

Speaking to the San Francisco chapter of the National Defense Transportation Assn., Martin said the Administration will seek "some modification" of the rate-making provisions of the Interstate Commerce Act. He said the rule as it now stands is sound "insofar as it gives the public the benefit of competitive rates."

Martin did not elaborate on this statement. But it is understood that the Administration will not go so far as to endorse a bill being considered by the Senate Commerce Committee, which would call for a major overhaul of the rate-making rule.

## Expanded Lone Star Mill Now in Full Production; Added Facilities Planned

**Lone Star, Tex.** — Production of reinforcing rod for the construction and building industries is now in full swing at the expanded rod mill of Lone Star Steel Co. here.

The added facilities now in continuous operation, are the first step in Lone Star's five-year, \$40-million expansion program.

Later, this year, Lone Star will begin operating equipment to produce standard pipe—black, galvanized and conduit—for the domestic pipe market, a company spokesman said.

Projected development for Lone Star includes plans for an extrusion mill in 1963 and a cold strip mill in 1964 to produce light-gage sheet steel.

## Kaiser Activates Potline

**Chalmette, La.** — Kaiser Aluminum & Chemical Corp. reactivated one of its potlines on May 15 at its Chalmette works, and plans to put another into operation about June 1.

With the start-ups, Chalmette will have eight of its nine potlines in operation.

The rule now provides that the rates of one mode of carriage shall not be held up to a particular level solely to protect the traffic of another. The pending legislation, supported by the truck and large industries, would require ICC to consider the impact of rate reductions by one mode on other modes. The proposal stems from the concern of motor and water carriers over selective rate-cutting by railroads.

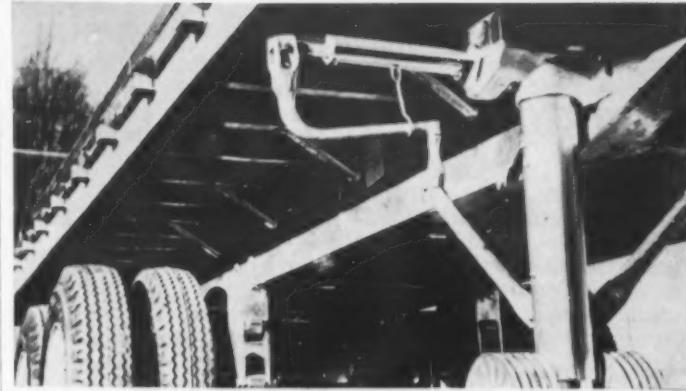
Martin also said the Administration is considering:

- Modification of the present

broad exemptions from common carrier regulation granted bulk products moving by barge and agricultural products moving by truck.

- Revising tax laws to make possible more capital for railroad expansion. This might take the form of reducing allowable depreciation periods and permitting rail lines to set aside construction reserve funds for improvements.

- Elimination of the "privileged rates" which the government exacts in buying transportation services.



**ALL-ALUMINUM FLATBED TRAILER:** New three-axle rig, manufactured by Ravens-Metal Products, Inc., of Parkersburg, W. Va., is reported to be more durable than steel trailer while weighing only half as much.

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**Stampings DIVISION SINCE 1913**

## Imported Machine Tools Gaining Ground in U.S.

New York—Resistance to imported machine tools as "foreign goods" is breaking down, according to exhibitors at the Annual Tool Exposition of The American Society of Tool & Manufacturing Engineers. More than 300 firms exhibited at the show here.

Distributors of foreign-made machine tools outnumbered their American counterparts by a considerable margin. They were pushing, for the most part, off-the-shelf tools such as engine lathes, drill presses, and grinders.

A dozen different countries (including France, Belgium, West Germany, England, Sweden, and Czechoslovakia) were represented in the exhibits. In addition to touting cost savings prices were running 30%–50% less than competing U.S. products. Foreign manufacturers talked long and loud about improved parts replacement and servicing facilities.

Sigma Machinery of Czechoslovakia, for example, maintains extensive stocks here and calls its field men back to the factory regularly to catch up with recent developments. Another foreign exhibitor told PURCHASING WEEK that it keeps about three spares for every machine part on hand here for emergencies. Some importers even claimed they could better U.S. delivery times.

### 'More Realistic'

Although some "Buy American" resistance to imported tools still exists, purchasing departments are taking a "more realistic competitive" look at imports, according to a British firm. A spokesman for Bently Industrial Corp., noted, "I could never sell machines in Michigan before, but I've already sold 12 there so far this year."

American machine tool makers were not happy over price differentials, but they were able to take a philosophical attitude. "It's keeping us on our toes," was the most common reaction.

The recent fall-off in capital equipment buying in the U.S. hit the importers as hard as their American competitors. "Last year's slump affected everyone," Alina Corp. said, "but sales are springing back."

Although numerical control systems have been enjoying steadily increasing sales this year, the units haven't been keeping the fast pace forecast earlier this year. Some exhibitors felt that the "overoptimism" of the industry should be toned down until more manufacturers have a chance to work with the systems.

### Ford Opens New Office

Red Bank, N.J.—Ford Motor Co.'s Defense Products Group has established a special office here to represent its Aeronutronics Div. and Special Military Vehicles Operations in the New York area.

Aeronutronics is headquartered in Newport Beach, Calif., and the military vehicle unit is located in Dearborn, Mich. The office here will handle military and industrial marketing and also act as a liaison between the government and the manufacturing organizations.

Numerical users are still "sampling," according to Rheem Electronics. A company spokesman explained that a new user will put in one unit to try out—then keep his eye open for further applications if the system proves itself. Most control units are now being used in positioning and drilling machinery. Controls still cost as much—or more—than the tool itself.

Prominent among the numerically controlled machines at the

show (about a dozen companies were represented) was a fully automatic system developed by Hillyer Corp. Somewhat similar in function to Kearney & Trecker's Milwaukee-Matic, it offers complete control of all drilling, reaming, tapping, and all other straight-line operations—automatically changing tools as it goes.

Priced at \$41,500, the machine is able to handle up to 40 separate tools.



W. T. ADAMS was appointed vice president in charge of purchasing at Republic Steel Corp. Formerly manager of purchases and raw materials, Adams joined the United Alloy Steel Co., a Republic predecessor, in 1920. He left in 1926 to enter the electrical field, and returned to Republic in 1945 as general purchasing agent.



# BRIDGEPORT

## Profitable Reading for P.A.'s

### New Books

**Executive Control**, by William Travers Jerome III, published by John Wiley & Sons, Inc., 440 Park Avenue South, New York 16, N. Y. Price: \$6.95.

This book explores the ideas and concepts that underlie any effective system of executive control and, from the findings, seeks to develop a way of looking at control that will be helpful to managers on every level. The author believes that it's possible

to identify the creative managerial forces that will release a firm's unrealized potential, and by so doing provide managers with a standard by which they can evaluate their own approaches to executive control.

Although the book focuses on the control problems of large organizations, both private and governmental, many of the ideas will be found applicable to the problems of small and medium-sized firms. Case studies which show how similar ideas have been applied in actual enter-

prises, make this a valuable addition to the literature on management.

**Principles of Manufacturing Materials and Processes**, by James S. Campbell, published by McGraw-Hill Book Co., Inc., 330 West 42nd St., New York 36, N. Y. Price: \$9.75.

This engineering textbook discusses the basic principles involved in the manufacturing processes currently used for making machines and other products of metals and plastics. The "how" and "why" of each

important manufacturing process are discussed in great detail, and line diagrams are used to illustrate the highlights of the various techniques.

Although the text is primarily designed for use in undergraduate schools of engineering, it can also serve as a useful reference book for engineers in manufacturing and design.

shell and tube heat exchangers using standardized components. Includes design and construction details, stacking dimensions, setting plans, etc. Bulletin No. 101 (24 pages). *Griscom-Russell Co.*, 185 Wetmore Ave., Massillon, Ohio.

### Safety Gloves

Outlines company's line of safety gloves, clothing, and equipment. Includes a chart showing recommended gloves for chemical usage. *Advance Glove Mfg. Co.*, 901 W. Lafayette Blvd., Detroit 26, Mich.

### Photoelectric Controls

Covers all phases of electric eye applications in automation. Illustrations range from miniaturized light sources and photo units to time delays and include mechanical characteristics of these units. Bulletin N. 611 (22 pages). *Photomation, Inc.*, 96 S. Washington Ave., Bergenfield, N.J.

### Precision Switches

Describes over 200 items including: miniature switches, toggle switches, limit switches, proximity switches, electronic switch-circuit assemblies, etc. Catalog 104 (20 pages). *Micro Switch Div., Minneapolis-Honeywell Regulator Co.*, Freeport, Ill.

### Power Tools

Discusses Skil's line of power tools and their accessories. Includes applications and specifications, product features, illustrations, etc. (68 pages). *Skil Corp.*, 5033 Elston Ave., Chicago 30, Ill.

### Two-Way Radio

Guide informs potential mobile communications users of the more important FCC licensing requirements. Discusses operational methods—how a message is sent, how to adjust a mobile radio, and record-keeping. ECR-568A (16 pages). *Section P, General Electric Communication Product Dept., P. O. Box 4197, Lynchburg, Va.*

### Adhesives

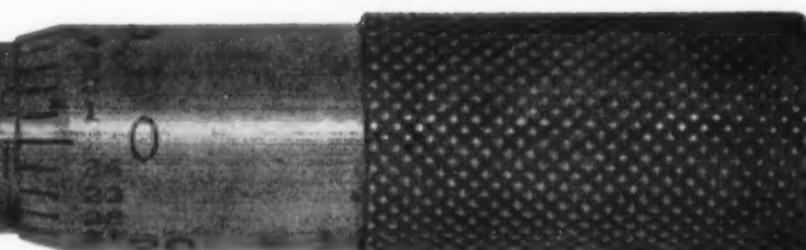
Lists official U. S. government specifications for wide variety of adhesives, coatings, and sealers. Also contains intended application and corresponding 3M adhesive that meets these specifications (54 pages). *Adhesives, Coatings & Sealers Div., Minnesota Mining & Mfg. Co.*, 900 Bush Ave., St. Paul, Minn.

### Motordrives

Describes company's complete line of vari-speed motor drives,  $\frac{1}{4}$  hp. through 40 hp. Includes full rating tables, dimension diagrams and prices for over 100 different assemblies. Catalog G-100 (88 pages). *Reliance Electric & Engineering Co.*, 24701 Euclid Ave., Cleveland.

### Ceramic Cutting Tools

Gives specifications and prices on throwaway inserts, heavy-duty button inserts, single point tools, tool holders, etc. Includes quantity discount price list (28 pages). *Dept. BMD, Carborundum Co.*, P. O. Box 337, Niagara Falls, N. Y.



#### THINGS TO KNOW IN BRASS VALUES

##### New Electrical Alloys in Brass and Copper

- Replacement of Phosphor Bronze with Bridgeport's lower-price Contact Bronze Alloy #92 offers considerable savings in electrical equipment where excellent spring properties and fatigue resistance are essential.\*
- To improve the machinability of electrical copper (to an 80% rating) use Bridgeport's Alloy #120—a sulfur-copper alloy with a 93% to a 97% IACS conductivity. Particularly suited for screw-machine operation. Alloy #120 can also be hot or cold forged, headed, sheared, punched or coined—offering new opportunities for savings.\*

\*Send for literature.



**BRASS COMPANY**  
Brass has always been a modern metal!



**SUPERMARKET FOR TRUCKERS:** New idea by White Motor Co. makes thousands of parts, accessories instantly available to truck operators, service shops.



**TRUCK HAVEN:** Service area of White center has facilities to handle up to 60 trucks at one time. Center is located at 3901 S. Ashland Ave., Chicago.

## Industry News in Brief

### RCA Opens Plant

**Palm Beach Gardens, Fla.**—Radio Corp. of America opened two months ahead of schedule a \$4-million plant here for producing 301 computer systems.

### Name Changed

**Augusta, Ga.**—Olin Mathieson Chemical Corp. is changing the trade name under which it produces brass products from Western Brass to Olin Brass. The move is being made to increase the identification between the

product and the corporation. The name change will have no effect on the products themselves, customer services or sales policies.

### CEC Completes Transfer

**Bradford, Pa.**—Corning Electronic Components, a department of Corning Glass Works, has taken over direct management of 17 distributors in the western part of the U.S., completing the nation-wide transfer of distributor responsibilities to Corning from Erie Distributor Div. of Erie Resistor Corp. Corning now services a network of 56 distributors, who stock small quantities of Corning products for immediate deliveries at factory prices.

### Firm Changes Name

**Minneapolis**—Smith Welding Equipment Co. has changed its name to Tescom Corp. and at the same time established a new Fluid Systems Div. to handle production of its "Flo-tron" regulators. The regulators, designed to control pressures up to 10,000 lb./sq. in., are used in the chemical, petroleum, and missile industries.

### Linde to Modernize

**Tonawanda, N.Y.**—Union Carbide's Linde Co. division will spend \$2.5-million to expand and modernize its facilities here for manufacturing equipment used in producing, storing, and distributing oxygen, nitrogen, and hydrogen. The development program, scheduled for completion by mid-1962, will increase productive capacity of the plant by about 20%.

### Two Distributors Named

**Lancaster, Pa.**—Armstrong Cork Co. has named two new manufacturer's representatives for a line of commercial and institutional floor maintenance products. The new representatives are: R. O. Demlow Co., Memphis, Tenn., and Pat Roth, Fort Thomas, Ky.

### PDS Boosts Output

**Pennsauken, N.J.**—Precision Drawn Steel Co. has completed an expansion program increasing capacity of its plant here for producing cold finished carbon and alloy steel bars to more than 70,000 tons annually.

### Distributor Named

**Los Angeles**—Olin Mathieson Chemical Corp. has appointed Jessop Steel of California as a distributor of Olin Aluminum mill products. Jessop, which serves Los Angeles County from a service center in Santa Fe Springs, will carry a complete line of sheet, slab, and extrusions.

### Federal Buys

**Saltsburg, Pa.**—Federal Laboratories, Inc., a subsidiary of Breeze Corps., Inc., plans to add to its line of personal protection equipment by acquiring Spooner Armor Co., New York City, a manufacturer of bullet-proof vests, hoods, and shields.

**TEAR OUT**  
*...and mail it to us!*

**BROWN COMPANY**



BERLIN, NEW HAMPSHIRE

*General Sales Office:*

150 Causeway Street, Boston 14, Mass.

Name \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ Zone \_\_\_\_\_ State \_\_\_\_\_

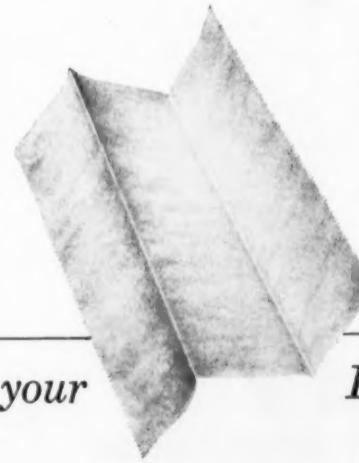
PW-6

Why? What will you get? A towel — a TWS Nibroc towel — that dissolves in water — ending plumbing problems due to accidental disposal of paper towels. And we will send you a FREE sample of TWS Nibroc so you can prove it yourself!

We've left plenty of room for your name and address, so make it out now. When you get your FREE sample, test it. Put a TWS Nibroc towel in water with a regular paper towel (even an-

other type of Nibroc towel — we make a complete line) stir them both — the TWS dissolves! That's *Timed Wet Strength* — TWS for short — and for you, if you want to end your plumbing problems due to accidental disposal of paper towels.

The TWS Nibroc is not as soft as other towels due to its special qualities. TWS is a special towel, for this job and this job only.



**FREE samples now!**



**Send for your**

## Mr. Roytype's Got 'Em:

© 1961 Royal McBee



## The computer ribbons you need

Whatever the make of your high speed data processing printers . . . whatever the jobs they're assigned, Roytype can provide THE Ribbon. We make a full line of computer ribbons and, in addition, can produce the *special* ones you need for color, thermographic, diazo, offset or other applications. □ But all of Roytype's computer ribbons are special. They have the strength to withstand breakage. They last a long time. You'll find when you use these quality ribbons, you'll have fewer ribbon changes and less profit-wasting downtime on the machines. □ Uniform printing performance, too, because Roytype has developed fast recovery inks to meet the challenge of high speed printing . . . just one of the features that brings approval from leading manufacturers of high speed printing equipment. □ So, whatever your machine, whatever your job, ask Mr. Roytype to supply the right ribbon for it. You save yourself time and money. Ask Mr. Roytype to help you with your other office supply requirements, too. His complete stock is at your command.

**ROYTYPE®**

*A complete line of business supplies . . . expert help . . .  
and dependable service, too.*

PRODUCT OF ROYAL McBEE CORPORATION, WORLD'S LARGEST MANUFACTURER OF TYPEWRITERS

# 'Product Team' Idea Adopted at Allis-Chalmers

(Continued from page 19) commodity specialist buyers aren't expert in the product their own firm is making. Product-line purchasing gives this experience, says Bielawski.

Actually the title P.A. is a misnomer, because each man is the manager of a complete buying unit, with from one to four buyers backed up by pricing clerks and expeditors that work exclusively on his product. The Mechanical Products Purchasing Agent wears two hats by buying for the process machinery and turbine lines, and the Electrical Products P.A. buys for the transformer and generator product lines. This break in the pattern is because the product lines have similar requirements, and the work load does not yet require a complete breakdown.

## Inventory and Stores

Common materials bought in bulk such as basic metals, castings, tools and supplies are handled by four specialist P.A.-buyer groups, who coordinate their purchases with the inventory supervisors and with the General Inventory and Stores Dept. under Manager Henry V. Fuller.

Fuller's department handles receiving and disbursing for the plant, inventory control on common items such as hardware, basic metals stock, and \$2-million worth of scrap. The Materials Management reorganization gave his group much of the clerical work that would have reduced the flexibility of the product inventory and scheduling supervisors. Fuller's department, with 421 employees, is largest of the 930-man Material Department.

General Inventory and Stores keeps inventory balances and reviews the accounts to check on activity and reorder point. They figure EOQ's and initiate re-orders when any of the hardware items get to a low point.

Fuller, an inventory specialist who has worked on data processing equipment and A-C's UNIVAC computer notes you "can't live on formulas in this business." This makes the product line approach valuable since the specialist keep a close eye on their inventory, applying different standards of turnover and dollar levels to each product. Some products are quicker moving, such as transformers, while turbines are a custom-built operation. Thus, turbine product inventories have a slower turnover. Specific control by product line cuts the number of stockouts, notes Fuller, because the product special lists monitor accounts more closely.

## Shipping

A key part of the materials team is the Shipping and In-Plant Transportation Dept. under Edward Mauchczak. Bulky loads, such as incoming castings for a turbine housing must be carefully handled, and shop floors and unloading areas free to accept the loads. Mauchczak sees that cranes of sufficient capacity available to move the equipment, and also manages a 13½ mile railroad, and a 37-unit fork truck fleet, and riggers, shipping, and crating specialists.

The early success of the materials department signifies the thought that went into building the organization. Starting in May, 1960, Foote started work-

ing with the people in the normal functional setup. "This was to see what we could do at maximum efficiency under the old organization. It gave us a basis for future performance comparisons," says Foote.

Then, in October of last year, Foote started to shift responsibilities into product-line Materials Management. This was a step-by-step process of formulating the job and its duties, then placing the person with the proper managerial skills in that slot. Then emphasis was on man-

agerial skills, not specific purchasing or inventory experience, says Foote. This results in several men moving from purchasing to spots as general supervisors of product inventory and scheduling. But, says Milton Schaefer, Assistant Manager of Materials, "It's amazing the cooperation we are getting between the supervisors and P.A.'s. You would think they are having a race to see who can bring up the best new ideas."

Within the Purchasing Dept., the product line approach has

meant a new managerial job for P.A.'s. "Now the P.A. can correlate all the parts on an order. Before he never had to think of an order as a whole, as an A-C product. He formerly handled only pieces," comments Purchasing Manager Bielawski. "With Materials Management you can see better which vendor gives you new ideas and better quality and service for the same product line. You can get quotes more often on the same part, and develop more competition between vendors."

Purchasing men used to the normal specialty-buyer approach might object to the product buying scheme because it apparently

fails to make use of accumulated buyer skills and neglects quantity purchases. Bielawski says it doesn't work that way. For example, he explains that three product P.A.'s might be buying bakelite for the transformer, generator and switchgear lines. But the specifications for bakelite would be different in each application, much as if they were separate materials. Also he notes, there were very few of these cross-overs, because of the nature of A-C products.

Even so, says Bielawski, "We think the competition between buyers will produce more ideas and effort, and will easily offset the few crossovers."



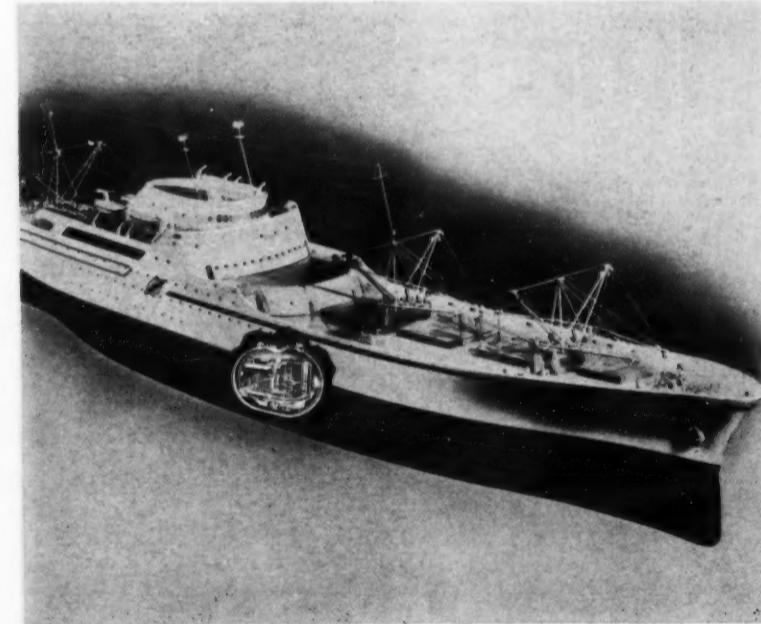
**A company's reputation hangs on many things, including door hinges. This washer maker uses Stainless 430 Wire from Carpenter Webb Wire Division.**



**Family begs for eggs, thanks to this automatic skillet. Carpenter Low Expansion "42" Alloy in thermostat assures even temperatures...and tempers.**



**World's largest submarine, 447-foot, 5900-ton, atom-powered Triton, serves as early warning station for U.S. Navy task forces. Incorporated into its design for extra reliability are periscope mountings forged from Carpenter Stainless No. 4A (Type 304) Steel.**



**World's first nuclear-powered merchant ship, N.S. Savannah, will cruise for over 350,000 miles on one atomic fueling. The fuel assemblies for the Savannah power reactor contain 121 fuel rods clad in dependable Carpenter Type 304 Stainless Tubing.**



**you can do it consistently better with**

The Carpenter Steel Company, Main Office and Mills, Reading, Pa. / Export Dept., Port Washington, N.Y.—"CARSTEELCO"



AWARD WINNER: William D. Mitchell (left), assistant director of purchasing, Sherwin-Williams Co., receives "Buyer of the Year" award of Chemical Salesmen of Cleveland from Ralph Stilphen, group head.

## Chemical 'Buyer of the Year' Named in Cleveland

Cleveland — Sherwin-Williams P.A. William D. Mitchell was chosen "buyer of the year" by the chemical salesmen of Cleveland for more than just being a nice guy. The award, granted by the close to 85 members who sell chemicals and chemical products in the Cleveland area, was granted to Mitchell in recognition of his outstanding contribution to ethical chemical purchasing.

"To us, Mitchell represents the highest type of purely ethical purchasing," said Shell Chemical's W. W. Williams.

The "buyer of the year" award has been granted for 10 years to the P.A. who is outstanding in encouraging good purchasing practices, and who, in the opinion of the Cleveland salesmen, does the best job of buying for his company by encouraging new developments in packaging, traffic, new applications for products and applies strict value analysis in his day-to-day purchases.

Mitchell's award recognizes his activities in getting the most for his buying dollar. He's been successful in his efforts to reduce

purchasing costs by innovations in packaging and distribution techniques as well as promoting the use of existing products for new applications.

The only guide Mitchell applies to purchasing is the one he uses in all activities. "I try to treat people as I'd like to be treated," he says, and the chemical salesmen agree he does just that. "Bill Mitchell is the kind of P.A. who treats each salesman with dignity," said one salesman who calls on him regularly. "He listens—really listens—and gives a salesman a chance to tell his story."

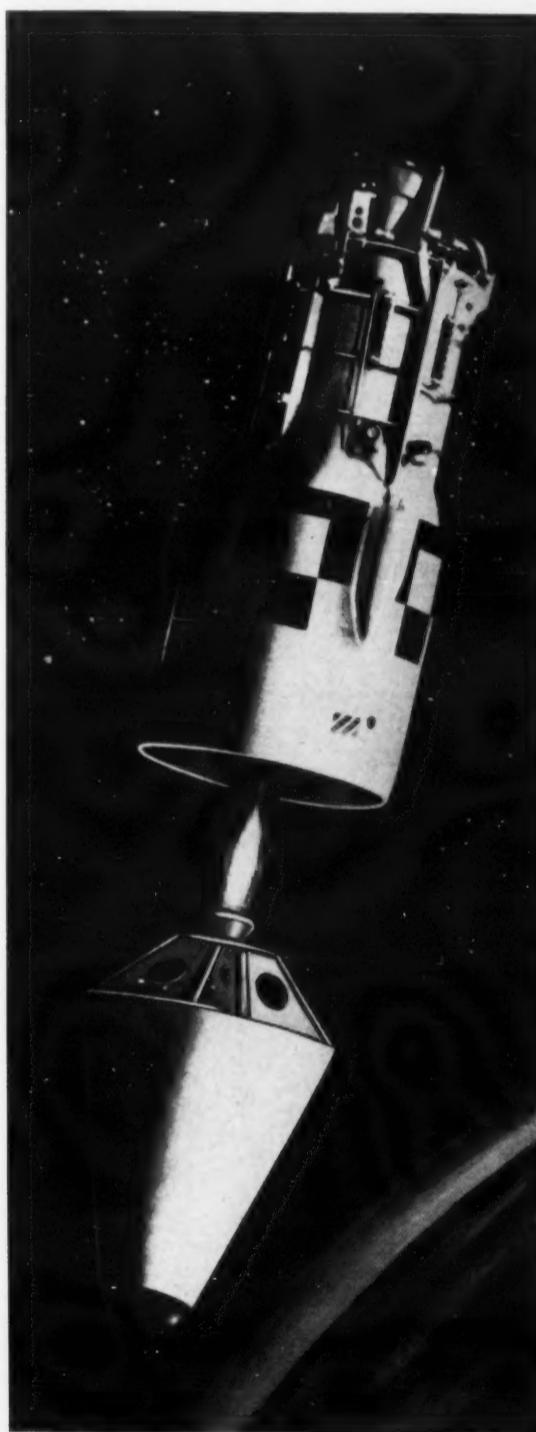
Commenting on his 35 years (33 of them in purchasing) with the world's biggest paint company, Mitchell says he can remember when chemical purchasing for the paint business meant buying white lead and oil.

"Paint formulation is highly scientific today, with the emphasis on quality. That means we've got to maintain tight quality standards on all chemicals we buy for formulation," he says.

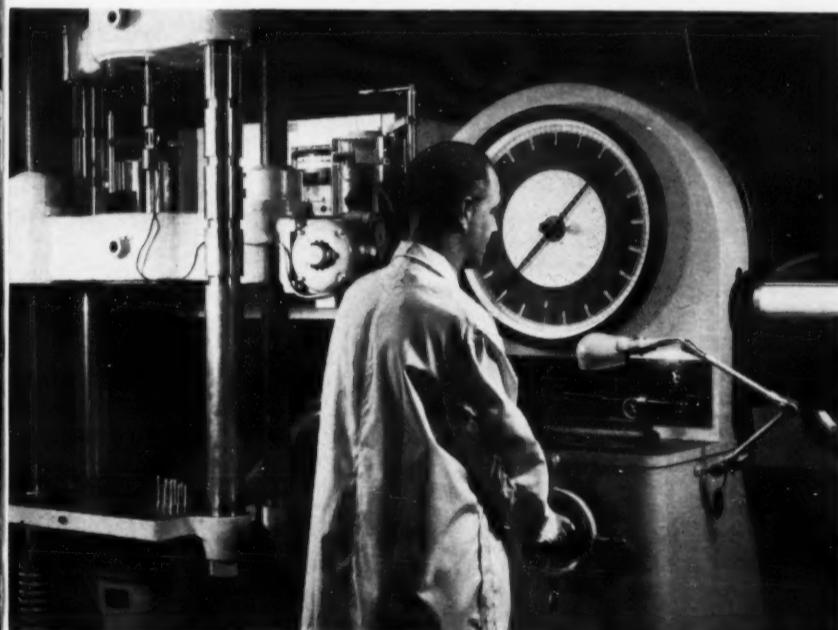
It also means Mitchell has to keep up with each new development in order to do the kind of buying job which earns the respect of the salesmen who call on him.



**Everything adds up...** to extra reliability in this famous-make bookkeeping machine. Contributing to its reliability are components shaped from Carpenter TGS Tool Steel. Again and again, wherever you find reliability a factor, Carpenter is first choice.



**Sets the pace in space!** The "Discoverer" scores high on predictable performance. Used forgings of Carpenter HighTemperature N-155 Alloy.



**Research that profits you!** From Carpenter's metallurgical laboratories come new tool steels to meet the demands of industry. Latest example: HI SHOCK 60 for applications involving extreme shock resistance. Now stocked for immediate deliveries.

## Carpenter Specialty Steels for Specialists

Alloy Tube Division, Union, N.J. / Webb Wire Division, New Brunswick, N.J. / Carpenter Steel of New England, Inc., Bridgeport, Conn.

## Fabricating Metal Parts From Pre-Printed Coils Called Production 'First'

Warren, Pa.—The Parts Div. of Sylvania Electronics Products, Inc., is fabricating metal parts from pre-printed coil strip in what the company calls a production "first." The initial application for this new technique is a top for Gillette razor blade dispenser.

Sylvania worked with the Litho-Strip Corp. of Chicago to develop the process. The major problem was to locate printed impressions on the coiled strip and feed it through progressive dies so that the finished part would carry the impression accurately positioned. The mechanical method has proved accurate to within  $\pm .03125$  in.

Division General Manager, Merle W. Kremer said the process can now be applied to virtually any printed metal part requiring high volume and extreme precision, including toys, drawn cans and caps, metal boxes, and fuse tops. The printing can be done in three colors on steel and non-ferrous coil strip from .0008 in. to .020 in. thick. Maximum width is 15 in.

## Oxygen Producing Unit Started Up by Linde Co.

Pueblo, Colo.—Union Carbide's Linde Co. Div. placed in operation here a new oxygen producing unit designed to supply new facilities at Colorado Fuel & Iron Corp.'s Pueblo Plant.

A major portion of the oxygen unit's 280 ton/day output will be used in two basic oxygen furnaces which CF&I is building as part of a \$21-million expansion program. Using the oxygen-lancing technique, the furnaces will be able to turn out over 100,000 tons of ingots annually.

## Meetings You May Want to Attend

### First Listing

**Central Area Shipper-Motor Carrier Conference**—Picford Shelby Hotel, Detroit, June 13-14.

**Advanced Purchasing Workshop**—Eighth District Activities Committee and Clarkson College of Technology, Clarkson College, Potsdam, N.Y., June 14-16.

**International Truck, Trailer and Equipment Show**—Brooks Hall, San Francisco, June 28-30.

**Chicago International Trade Fair**—McCormick Place, Chicago, July 25-Aug. 10.

**Maine Products Show**—Augusta State Armory, Aug. 23-25.

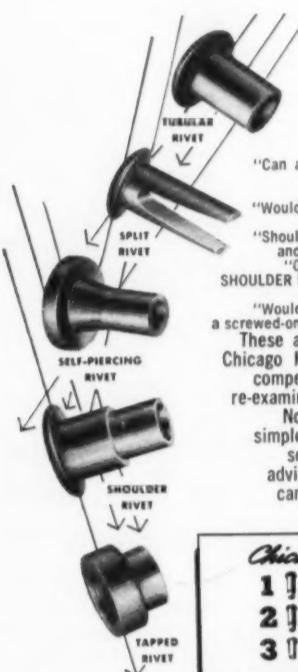
**Southeastern Show**—Plant maintenance and Engineering, War Memorial Coliseum, Greensboro, N.C., Sept. 12-14.

**Fleet Maintenance Exposition**—Coliseum, New York, Oct. 23-26.

### Previously Listed

#### JUNE

**Drop Forging Assn.**—Annual Meeting—Greenbrier, White Sulphur Springs, W. Virginia, June 14-17.



### TIME TO LOOK AT COSTS

You need the answers to such questions as:

"Can a TUBULAR RIVET replace a solid rivet, screw, or bolt and thereby accelerate production?" "Would a SPLIT RIVET with a decorative head improve product appeal?" "Should a SELF-PIERCING RIVET be used and eliminate a drilling operation?" "Can a cold headed part such as a SHOULDER RIVET serve as a fastener and also provide a bearing surface?" "Would a TAPPED RIVET, made to receive a screwed-on assembly simplify field service?"

These are typical questions asked of Chicago Rivet engineers because keen competition today makes necessary re-examination of production methods.

No matter how complex or how simple your fastening problem may seem to be, get the cost saving advice that Chicago Rivet engineers can give. Send blueprint or sample assembly—no obligation.

Chicago Rivet Machines set	
1 1	4 1111
2 11	5 11111
3 111	6 111111

Tubular or Split Rivets At a Time

**Chicago Rivet & MACHINE CO.**  
968 S. 25th Ave. • Bellwood, Ill. (Chicago Suburb)

Branch Factory: Tyrone, Pa.  
FOR FILES—Rivet catalog describes 1388 standard tubular and split rivets and 26 single and multiple automatic rivet setters.



**EDMONT CASE NO. 674:** Handling oily steel strips from a punch press, Edmonton's No. 30 Monkey Grip glove, palm coated with tough vinyl, outwore leather palm gloves 5 to 1, cutting glove costs and providing safer grip.

### Outwore leather gloves 5 to 1

In the case above, the Edmonton-recommended Monkey Grip glove wore 5 times longer and protected better than leather palm gloves, because it is job-fitted for handling strip steel. A wing thumb and curved, preflexed fingers give natural fit and working comfort.

**Free Test Offer to Listed Firms:** Tell us your operation and materials handled. From more than 50 types of Extracoated and impregnated fabric gloves, we will recommend correct gloves and send samples for on-the-job comparison test.

Edmont Inc., 1254 Walnut Street, Coshocton, Ohio. In Canada, write Edmont Canada Ltd., Cowansville, Quebec.

**Edmont**  
JOB-FITTED GLOVES

## Product News in Brief

### MPPA Revises Standard

**New York**—The Metal Powder Producers Assn. has issued a revised methods procedure for the determination of iron content in iron powder for powder metallurgy applications.

Procedures cover the chemical analysis of granular iron powder to determine total iron content, metallic iron content, and ferric and ferrous oxide content. Copies of the standard are available for 50¢ from the association's New York offices at 60 East 42nd St.

### Circuit Cuts Out Noise

**Chicago**—Motorola has developed a new circuitry for its transistorized, mobile radio line to cut out ignition noise interferences and provide more reliable reception in heavy-traffic areas.

The patented circuitry is avail-

able in the company's low-band (25- to 50-mc.), two-way systems. It automatically detects ignition noises caused by spark plug firings and turns the receiver "off" for the two to three microseconds each ignition impulse lasts. This does not affect the clarity of the incoming message; transmission of a single vowel takes hundreds of microseconds.

The system is also able to reject interferences generated by strong signals of transmitters in the area. A three-position switch on the radio permits selection of either of these operations or standard receiver operation.

### Newton Sets Up Service

**New Haven**—Newton-New Haven, Inc., has established a "Prototype Die Casting Service" for companies undertaking prod-

uct testing programs. The service supplies low-cost, simulated die castings made to specifications.

Newton-New Haven has developed a plaster mold casting process which provides small quantities of the castings and is offering manufacturers a folder outlining the service.

### Wheel Is Nonslip

**Mount Vernon, N. Y.**—Disgrin Industries is offering a press-on wheel of polyurethane for materials handling trucks. It is available in sizes to fit all-electric or gasoline-powered trucks and offers increased traction.

The wheel prevents skidding or slipping, making it particularly useful on docks, ramps, and inclines. The polyurethane material is highly resistant to oils and chemicals and the wheel comes in both a cushion-type and a solid-type.

### Molding Machine

**North East, Pa.**—Taccione Corp. is manufacturing an automatic molding machine capable of high-speed production of uniform, high-density, green sand molds for thin-walled castings. Cost is about \$250,000.

The machine compresses sand with hydraulic ram and pneumatic compensating pad, producing green sand molds up to 45 in. deep with uniform mold hardness between 95 and 100 (Dietert). Machines are available for flash sizes up to 72 in. wide and 140 in. long.

### White Offers Diesels

**Cleveland**—The White Motor Co. is equipping its new series of compact trucks and tractors with diesel engines. The line is used in city pickup and delivery operations and for short hauls.

President J. N. Baumann described this as the first time a manufacturer has offered a diesel power in trucks intended for these uses. The standard engine produces 130 hp. at 2,800 rpm. and an optional engine delivers 160 hp. at 2,800 rpm.

### Bulb Is 20% Smaller

**Bloomfield, N. J.**—Westinghouse is producing a 100-w. incandescent bulb which is 20% smaller than the standard and produces 6% more light.

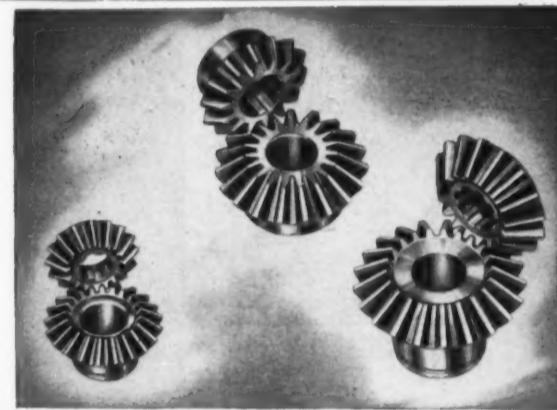
The reduction in size was made possible by the use of a vertical—or axial—filament instead of the conventional horizontal filament. Westinghouse has used this technique before in large industrial bulbs but this is the first time the company has employed it in a standard, inside-frosted bulb.

The vertical filament produces an increase in light without an increase in the consumption of electricity.

### AS Unveils Instrument

**Hawthorne, Calif.**—American Systems, Inc., has come out with an electronic instrument capable of precise detection and monitoring of toxic and explosive gases in the atmosphere.

The instrument, designed for use at missile applications and other locations where toxic rocket fuels are handled, is applicable also as a control in civic air-pollution programs.



### Shortest way to better production, smoother product performance: G. S. Bevels

Nobody argues with the old axiom, "Time is Money"—and it's more and more costly to have assembly operations interrupted or slowed down by ill-fitting or defective parts. G.S. customers (whose roster reads like a Blue Book of American industry) don't worry about such problems. They've learned that they can rely on famous G.S. precision manufacturing methods and rigid inspection systems for Small Gearing made right, every time—Gearing which meets demanding specifications, makes assembly smoother, gives efficient performance in product use.

Perhaps you use full-generated and hardened Straight Tooth Bevel Gears cut from alloy steels, like those illustrated (they're used in outboard motors). Perhaps you need Spiral Bevels or Zerols. Whatever your requirements for Bevel Gearing, including Helicals, Internals or other types, G.S. engineering and G.S. quality belong on your production team!



## Consumer Income Rising; Higher Spending Seen

**New York**—Personal income, one of the key factors in keeping the recent downturn to such modest proportions, may soon spark a new consumer buying upturn.

Income is already 2% higher than the February 1961 lows. And, according to the experts, it's expected to rise another 4%-5% before the year is out (see chart alongside).

All this is bound to have an effect on consumer expenditures. For past experience has shown that the public quickly adjusts its volume of buying to income changes—so as to keep the ratio of spending to income in fixed proportion.

### Same Proportions

One top flight industrial economist gave PURCHASING WEEK these surprising calculations on the income-outgo relationship. "In every one of the last five years," he notes, "consumers have spent between 92% and 93% of their disposable income—never more, never less".

Based on this relationship, according to this expert, it's easy to predict probable level of 1961 sales. He concludes that spending by the end of the current year will be running some 6% ahead of 1960.

In fact, the current rising income trend is already having an effect on consumers. There are plenty of signs, for example, that confidence (always a prelude to actual purchases) already is turning up.

### Intentions on the Rise

This trend is underscored in the National Industrial Conference Board's latest survey of consumer intentions. The board notes, for example, that consumers have adopted far more expansive shopping goals over the past two months. The board, however, is quick to admit that these buying goals still have to be translated into specific purchase plans.

Still another plus factor is the change presently occurring in sources of income. A much larger part of over-all income now is stemming from wages, salaries, and transfer payments—sectors where the spending-income ratio is above average.

For example, wages and salaries in commodity producing industries (which account for over 25% of the income total) are up some 5% above late winter lows—compared to a 2% gain in over-all income for the same period.

This gain is significant because most of this money goes to lower and middle income classes—groups that tend to spend more and save less.

### Transfer Payments

Another change tending to boost the spending-income ratio is the trend toward "transfer payments" (mainly social security and unemployment benefits). Since these go to the neediest, almost all of the money tends to be immediately translated into sales.

The actual figures highlight the growing importance of transfer payments as an income source. At latest report, they accounted

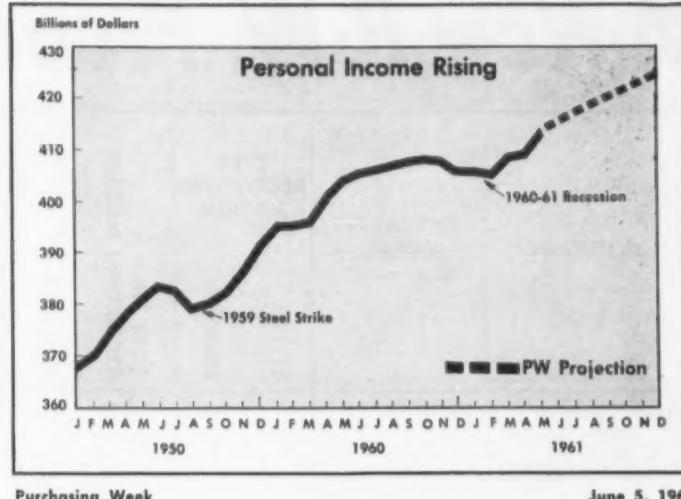
for almost 8% of personal income. Five years ago transfer payments accounted for less than 6%.

### Trend Continuation

Moreover, all signs point to a continuation of this trend toward bigger transfer payments. Existing laws already call for higher social security and unemployment benefits. And additional proposals are in the Congressional hopper. Result: This in-

come source will probably stay close to peak levels throughout most of 1961.

This has significance for downturns as well as upturns—for transfer payments are probably the most efficient economic stabilizer we have. The sharp \$5.9-billion gain (20%) in this category from January 1960 to March 1961 (the period covered by recent recession) was the major reason why income held up as well as it did.



June 5, 1961



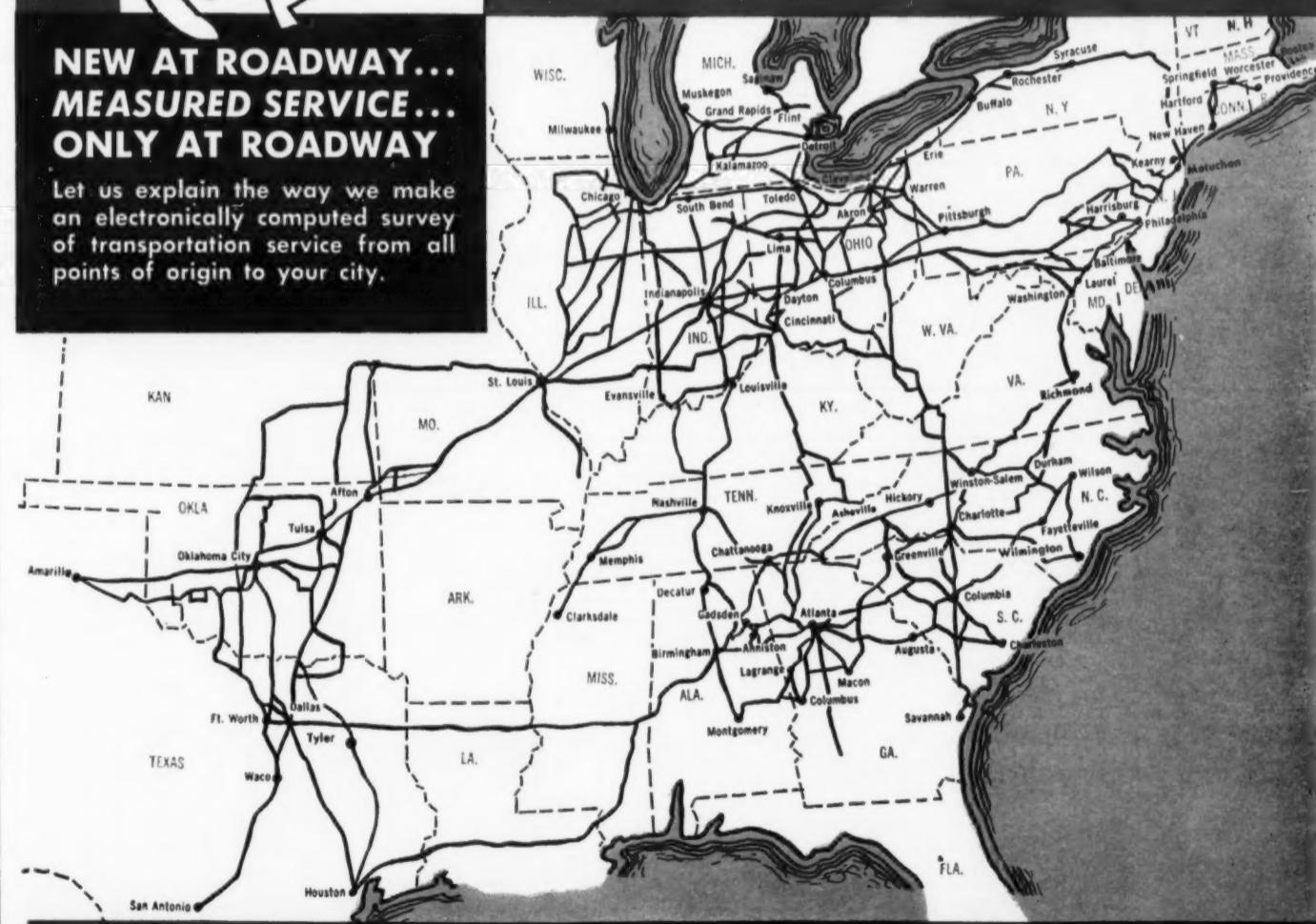
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# A New P.W. Product Guide: Data to Help You

COMPANY	MODEL	TYPE RECORDING MEDIUM	STYLUS	MAGNETIC	COST OF RECORDING MEDIUM	REUSABLE	LENGTH OF RECORDING (MIN.)	SIZE (L x W x H)	WEIGHT (LB.)	TYPE OF POWER	PRIMARY FUNCTION	PRICE	COST OF SERVICE CONTRACT	ACCESSORIES AVAILABLE	SPECIAL FEATURES
Amer. Dictating Mach. Co., Inc. 51 W. 45 St. New York 36, N. Y.	TN #5	Disc			\$2.50	Yes	10	12 x 9 x 6	16	110 V.	Dict. Trans.	\$295 245	\$21	Foot pedal-type- writer contrl., carrying case, auto inverter, single and double headset.	Roll tape tear-off index, auto. mark- ing, conference re- cording, all controls on microphone.
Amer. Geloso Electronics, Inc. 251 Park Ave., S. New York, N. Y.	G 256/60U	Tape			2.45 3.50	Yes	128	10½ x 5½ x 4½	6½	110 V.	Dict.-Trans.	179.95		Foot control, stetho- scopic headset, in- verter, carrying case.	
	G 7/11		"	"	"	"	"	6 x 7 x 2	4	Battery	"	199.95		AC adapter, tele- phone recorder, foot control.	Transistorized, port- able, plays up to 30 hrs. on 6 bat- teries.
	G 258/A		"		3.95 4.95	"	600	13 x 9 x 6	13½	110 V.	"	199.50		Telephone recorder, earphone, lapel microphone.	10 hr. recording.
	G 3/10		"	"	"	"	"	"	"	110 V.	"	249.50			Picks up voices 30 ft. away, remote transcription con- trol, all controls on microphone.
Cole Steel Office Mach., Inc. 415 Madison Ave. New York 17, N. Y.	Dictator- Transcriber	Tape			3.85	Yes	120	11 x 9½ x 4½	11½	110 V.	Dict. Trans.	220 185		Foot control, ear- phone, telephone adapter, inverter, carrying case.	
Comptometer Corp. 5600 W. Jarvis Ave. Chicago 48, Ill.	D10A-5	Belt			.80	Yes	11	10½ x 6½ x 8½	14½	110 V.	Dict. Trans. Dict.-Trans.	179.50 179.50 199.50	27.50	Foot control, ear- phone, conference recorder, tele- phone recorder, loudspeaker play- back.	Mailable belts, no on-off switch, erase bar.
	D25 Coronet		"	"	"	"	"	8½ x 6½ x 1½	4½	Battery, 110 V.	Dict. Dict.-Trans.	299 357	25	Foot control, ear- phone, carrying case, battery life tester.	Portable, all controls on microphone, transistorized, in- stant scanning, erase bar.
	D20T Commander Companion		"	"	"	"	"	11½ x 7 x 9½	12½	110 V.	Trans.	299	27.50	Variety of earpieces, foot control.	Mailable belts, speed control, instant scanning
	D20G Commander		"	"	"	"	"	10½ x 6½ x 8½	14½	"	Dict. Dict.-Trans.	319 344.50	"	Foot control, ear- pieces, conference and telephone re- cording, loud- speaker playback.	All controls on micro- phone, volume con- trol, no on-off switch, instant scanning, erase bar.
DeJUR-AMSCO Corp. 45-01 Northern Blvd. Long Island City 1, N. Y.	Stenorette Companion	Tape			2.75	Yes	45	10½ x 6 x 3½	6	Battery	Dict.-Trans.	149.50		Auxiliary speaker, battery charger.	Portable, auto. voice control, transistor- ized, one-button microphone control
	Stenorette TD		"	"	"	"	"	12½ x 10½ x 4½	12	110 V.	"	219.50	30	Foot or typewriter control, tape mag- azine, inverter, auxiliary speaker, telephone adap- ter, earphones.	Auto. voice control, transistorized, one- button microphone control.
Dictaphone Corp. 730 Third Ave. New York, N. Y.	Dictet Portable	Tape			10.00	Yes	60	6½ x 4½ x 2	2½	Battery	Dict.	294	23	Foot control, magic ear, special micro- phones, Dicta- speaker (\$45).	Pocket-size, transis- torized.
	Dictet Typer		"	"	"	"	"	9½ x 11½ x 3½	13	110 V.	Trans.	355	26	Typewriter or foot control.	In-built tone, speed, and volume control, fast forward, re- wind.
	Time-Master: Portable	Belt			.04	No	15	9½ x 12 x 3	10½	Battery	Dict.	415	"	Telephone recorder.	Portable, power- control microphone, transistorized.
	Dictator		"	"	"	"	"	"	"	110 V.	"	385	32	Mobile stand, cabi- net, carrying case.	Transistorized, all controls on micro- phone.
	Transcriber		"	"	"	"	"	"	"	"	Trans.	360	26	Foot or typewriter control.	Transistorized.
	Combination		"	"	"	"	"	"	"	"	Dict.-Trans.	438.50	32	Telephone recorder, carrying case.	In-built speed control, transistorized.
	Telephone Recorder		"	"	"	"	"	"	"	"	Dict.	410	"		Records telephone conversations, all controls on micro- phone.
	Telecord System		"	"	"	"	"	"	"	"	Control Station	580	42 (3.25- sta.)	Auto. switchboard, selector stations (\$83 each), PAX adapter.	Transistorized, con- trols on telephone handset, voice- operated relay.
GBC America Corp. 89 Franklin St. New York 13, N. Y.	Transivoice	Tape			2.25	Yes	90	4 x 9 x 6	4	Battery	Dict.	129.50	20	Earphones, telephone recording, radio, hi fi, or TV pickup.	Portable.
	Companion PT/12		"	"	"	"	120- 180	8 x 9½ x 5	10	110 V.	Dict.-Trans.	99.50	"	Above, desk micro- phone.	Volume indicator.
	Escort PT/15		"	"	"	"	"	8 x 11½ x 5½	11½	"	"	129.50	"		Volume indicator, conference speak- er, self-contained carrying case.

# Choose the Correct Office Dictating Machines

COMPANY	MODEL	TYPE RECORDING MEDIUM	STYLUS	MAGNETIC	COST OF RECORDING MEDIUM	REUSABLE	LENGTH OF RECORDING (MIN.)	SIZE (L x W x H)	WEIGHT (LB.)	TYPE OF POWER	PRIMARY FUNCTION	PRICE	COST OF SERVICE CONTRACT	ACCESSORIES AVAILABLE	SPECIAL FEATURES
GBC	Stenomaster Mark XII		"	"	"	"	"	9½ x 8 x 5	10	"	"	\$179.50	"	Above, foot switch.	Complete remote control on microphone, conference speaker, lucite dust cover.
Gray Mfg. Co. 16 Arbor St. Hartford, Conn.	Key-Noter: Battery	Disc			.06	No	20	9 x 7 x 3	5½	Battery, 110V.	Dict.	358.50	23	Telephone control station, automobile adapter.	Rechargeable battery, portable.
	Standard	"	"	"	"	"	"	"	"	110V.	"	269.50	"	Telephone control station, listening device, foot control.	Fingertip scanning.
	Executive	"	"	"	"	"	"	"	"	"	"	299.70	"	"	Above, plus precision indexing.
	Secretarial Key-Man Phonaudograph	"	"	"	.06-.13	"	20-60	9½ x 9½ x 6	12½	"	Trans., Central station	478.52	28	Typewriter control. Additional remote stations, operator station.	Doubles as intercom, auto. indexing, three-size disc recording.
Inter-Continental Trading Corp. 90 West St. New York 6, N. Y.	Telefunken 600	Disc			.50	Yes	10	11½ x 8 x 2½	6½	Battery	Dict., Trans., Dict.-Trans.	250 275	"	Earphones, foot and typewriter control, conference speakers, telephone adapters.	One-button microphone control, instant scanning.
International Business Mach. 545 Madison Ave. New York 22, N. Y.	Executive: 211	Belt			.65	Yes	14	9½ x 11 x 3½	14	110V.	Dict.	395	28.50	Telephone recorder, foot control microphone.	Remote control indexing, transistorized, built-in loud-speaker, instant scanning.
	Sect. 212	"	"	"	"	"	"	"	"	"	Trans.	370	"	Earphones, foot control.	Auto. back spacer, visible index guide, transistorized speed control, tone control.
	Comb. 213	"	"	"	"	"	"	"	"	"	Dict.-Trans.	450	34	Above, plus telephone recorder.	Above, plus built-in loud-speaker, instant scanning.
	PBX 221	"	"	"	"	"	"	"	26½	"	Central station	1,000	93	Hand microphone	Unlimited review, night switch, voice-actuated operation, transistorized.
McGraw-Edison Co. Thomas Edison Indus. 31 Lakeside Ave. West Orange, N. J.	Escort	Disc			.10	No	30	8 x 11 x 2½	7½	Battery	Dict.	340	25	Telephone recorder, AC power accessory, carrying case.	Portable, wide screen indexing, audible scanning, transistorized, batteries last 28 hr.
	VoiceWriter ME-E	"			"	"	"	12 x 10 x 3	12½	110V.	"	365	"	Conference and telephone recorder, earphones, foot desk microphone.	Remote control indexing, audible scanning, all controls on microphone.
	VoiceWriter ME-T	"			"	"	"	"	11½	"	Trans.	360	"	Hand or foot control, external loud speaker, listening receiver.	Adjustable speed, volume, and tone controls, illuminated index panel, audible scanning.
	Envoy	Tape			3.75	Yes	90	10 x 7 x 4	9	"	Dict.-Trans.	219.50	22	Telephone recorder, loud speaker, power inverter, carrying case.	All controls on microphone, end-of-tape alert, transistorized.
Niles Reproducer Co., Inc. 812 Broadway New York 3, N. Y.	Walkie- Recordall "LC"	Belt			.22½	No	300	9 x 7 x 5	5	Battery 110V.	Dict.-Trans.	350	5	Foot switch, earphones voice actuator.	Auto. volume control and indexing, no warm-up.
	CC4	"			.29¼	"	720	14 x 7 x 5	8	"	"	650	"	"	"
Minicord Corp. of America	Custom Model V	Wire				Yes	150	7½ x 4½ x 1½	2	Battery	Dict.-Trans.	239.50	"		Pocket-size.
Monroe Calculating Mach. Co. Vanguard Div. 556 Central Ave. Orange, N. J.	Vanguard V3	Sheet			.50	Yes	10	10 x 9 x 3	9½	110V.	Dict.-Trans.	199.50	22	Telephone recorder, foot control, headset, auto. duplicate copy (after Sept. 1).	Transistorized, speed and volume control, records on 5 x 8 plastic, foldable sheet.
North American Phillips Co., Inc., Dictating Equip. Div. 230 Duffy Ave. Hicksville, N. Y.	Norelco "75"	Tape			3.75	Yes	40	10 x 7½ x 4	8	110V.	Dict., Trans., Dict.-Trans.	189.50 189.50 212	22-29 " " "	Typewriter control, telephone recorder, automobile inverter, transcribing kit.	Magazine loading, end-of-tape alert.
Scribe Distributors Co. 6949 W. North Ave Oak Park, Ill.	SI-60 Transcriber	Tape			5.75	Yes	30	11 x 13 x 5½	24	110V.	Trans.	290		Movable stand, carrying case.	Playback clarity and voice tone.
	SI-50 Combination	"	"	"	"	"	"	"	"	"	Dict.-Trans.	325		Above, plus earphones, foot control.	Magazine loading, auto. end-of-tape stop, speaker, microphone, and earphone playback.
	SI-70 Remote Recorder	"	"	"	"	"	"	"	"	"	"	340		Above, plus additional desk stations, junction boxes.	Remote control microphone (can handle five more).

(Continued from page 31)

COMPANY	MODEL	STYLUS	MAGNETIC	TYPE RECORDING MEDIUM	COST OF RECORDING MEDIUM	REUSABLE	LENGTH OF RECORDING (MIN.)	SIZE (L x W x H)	WEIGHT (LB.)	TYPE OF POWER	PRIMARY FUNCTION	PRICE	COST OF SERVICE CONTRACT	ACCESSORIES AVAILABLE	SPECIAL FEATURES
Soundscriber Corp. 6 Middletown Ave. North Haven, Conn.	Traveler 200	Disc		\$ .02	No	15	10 x 6 1/2 x 3	6	110 V. Battery	Dict.	\$295 320-40	17.50	Conference recorder, foot control, listening device.	Portable, mailable discs, 33 1/3 speed for phonograph playback.	
	Communicator	"		.04 1/4	"	30	9 1/2 x 10 x 4	15	110 V.	"	360	16	Lapel microphone, telephone and interview recorders.	Transistorized, instant scanning, all controls on microphone.	
	Master Communicator	"		"	"	"	"	14 1/2	"	"	425	26.50	Telephone recorder, conference microphone.	Remote control microphone (can handle four more), end-of-disc alert, keyboard and microphone control.	
	Stenomask Satellite	"		"	"	"	"	15	"	"	475	34	Foot or hand control, listening devices.	Jack for court-room recording eliminates background noises.	
	Executive Secretary	"		.02, .04 1/4	"	15, 30	"	14 1/2	"	Trans.	370	16	Above, plus supervisor's tap.	Instant scanning, transistorized, speed control, televiewer mirror.	
	Communicator Comb.			.04 1/4	"	30	"	"	"	Dict.-Trans.	475	26.50	Telephone and conference recorder, listening devices.	Above, plus remote control microphone (can handle four more), keyboard and microphone control.	
	Central Dict. Recorder	"		"	"	"	13 x 10 1/2 x 8	15	"	Central station	565	34	Additional phone stations.	Use telephone or special installation to record, voice-operated relay, night selection signal.	
	Message Recorder	"		"	"	60	11 x 21 1/2 x 6	50	"	"	1,050	58	Above, plus hand or foot control, listening devices.	Two recording-transcribing units on special stand for central dictation, 33 1/3 speed.	
Stenocord of Amer., Inc. 37-20 48th Ave. Long Island City 1, N. Y.	Explorer Portable	Belt		.75	Yes	8	9 x 9 x 2 1/2	5 1/2	Battery, 110 V.	Dict.	249.50	24	Telephone recorder, transcribing kit.	Portable, transistorized, instant scanning, mailable belt.	
	400	"		.90	"	12	11 1/2 x 9 x 4	9	110 V.	"	199.50	"	Telephone recorder, external speaker, stand.	Portable, instant scanning.	
	402	"		"	"	"	"	"	"	Trans.	229.50	"	External loud-speaker, listening devices, stand, typewriter or foot control.	Speed control.	
	400A	"		"	"	"	"	"	"	Dict.-Trans.	237	"	Above, plus telephone recorder.		

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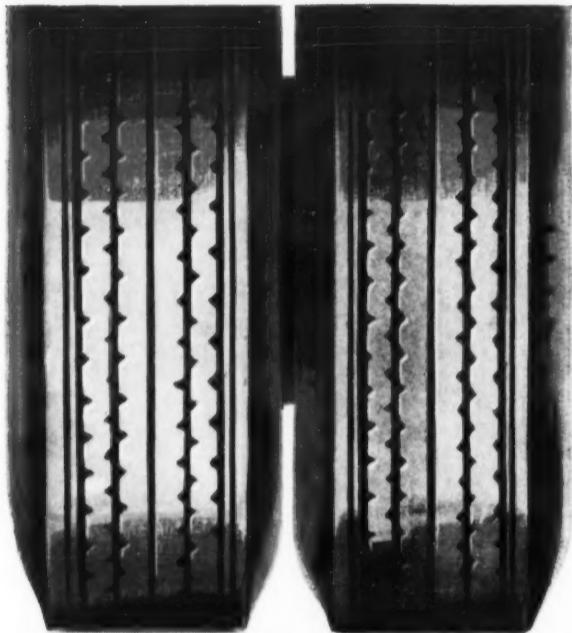
## Footnote on Buying Dictating Machines

Recording media are usually interchangeable between different machines in a manufacturer's line, but seldom usable on a competing maker's unit.

Manufacturers usually offer a choice of about five different models, each tailored for a specific task. But most machines can be adapted to handle a variety of functions by purchasing accessory equipment.

Central station units record messages over the regular office phone or from any number of special handsets. Another type of machine, while not a central unit, can handle up to five or six dictators who are equipped with microphone sets containing all needed dictating controls.

No clear trend is discernable between magnetic and stylus recording medium. The magnetic record can be used over and is easy to correct. The stylus medium makes it simple to tell where and how long the message is.



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## Purchasing Week's Foreign Perspective

**Bonn**—Bucking the trend in the rest of Western Europe and Britain for higher steel prices, West Germany sheet steel producers cut domestic prices 4.3% to 4.7% a ton. First to reduce prices were Kloeckner-Werke, AG, and Hoesch, AG. Most other producers followed with cuts ranging from \$7.50 to \$15/ton.

Steel export prices also showed a downward trend. Prices for rolled wire and fine-gage sheets at export markets slumped by about 6%—or 10% to 12% below February's level. German steel producers attributed cuts to increased production as new rolling mills start up.

Following are current price trends in other foreign markets:

• **Britain.** The British Iron and Steel Federation continued its call for increased home prices on finished steel. Approval of the Iron and Steel Board is needed before prices can be raised.

• **France.** French steel producers are planning to raise prices but don't yet know how much or when. Their prices are the lowest in the six-nation coal and steel community. The hike is expected to be about 5%.

• **Belgium.** Belgian steel prices, which have been rising on a selective basis, showed no signs of slackening off.

• **Japan.** The rise in raw material imports should bring about price rises beginning in July. Signs of an upward trend are apparent for certain types of steel reinforcing bars.

• • •

**Tokyo**—Steel scrap price weakness of recent weeks ended when two Japanese steel cartels placed third-quarter orders for an estimated 100 cargoes of steel scrap, equivalent to about 1-million tons.

While this is approximately 17% less than second quarter orders, it is still substantial. When combined with the increase in domestic demand, it resulted in a firming scrap market.

• • •

**London**—It's now quite clear the British government has decided the United Kingdom should join the Common Market—if special arrangements can be made with the Commonwealth Nations and Britain's European Free Trade Assn. partners. These are big ifs, and the outcome depends not just on what Britain will do but on what the six-member European Economic Community—particularly France—are prepared to concede.

Growing importance of European trade to Britain was underlined by Chairman Paul Chambers of Imperial Chemical Industries, who said sales to EEC and EFTA last year had gone up about 25% each, while sales to the Commonwealth and to the U.S. had remained "rather static." ICI sales to Eastern Europe went up 60% last year, he said, and now total more than its sales to the U.S.

• • •

**New York**—Copper prices on the London and New York exchanges dipped slightly last week when workers at Kennecott's Braden mine in Chile returned to work, ending the wildcat strike which stopped the mine's 15,000 ton monthly copper output.

A strike of dockworkers in Chile that had been holding up copper shipments was also settled.

Demand for copper in the U.S. continued strong with three major companies, Kennecott, Anaconda, and Phelps Dodge, now operating at near or full capacity. Industry observers saw no long-range copper scarcity, but noted that present output has not caught up with buyer demand as the recession levels off.

• • •

**Tokyo**—The Ministry of International Trade and Industry has turned thumbs down on a request by Japan Electronics Industries Assn. to lift export restrictions on transistor radios.

JEIA had pushed MITI to abolish quotas for all countries except the U.S. and Canada. MITI answered that it would not be feasible because it would only help those countries outside of the U.S. to reship Japanese transistor radios to the U.S. and Canada to a greater extent than at present.

• • •

**Washington**—Sen. Warren G. Magnuson (D-Wash.), in a speech before the Board of Trade suggested that the Tariff Commission be abolished. The Commission, as currently operated, takes too long in processing claims of domestic industries for import relief, he said. He noted that the quasi-independent commission often takes 18 months to decide a case, by which time the industry involved is facing difficult conditions. He feels the commission should operate purely as an advisory group to enable the President to take prompt action to meet any given foreign trade problem.

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In Texas, ever-busy steel fabricators build huge refineries, storage facilities and equipment for the oil and petrochemical industries—set the stage for hundreds of supporting industries. In Louisiana, home of the Mardi Gras and Dixieland Jazz, 5,000 miles of navigable waters spawn great shipbuilding enterprises and the great seaport of New Orleans. In Georgia, vast deposits of marble, clay and limestone exist, and here is Atlanta, largest manufacturing city in the Deep South. Alabama offers tremendous coal fields, great textile, furniture, pulp and paper and many other important industries. And in Mississippi, King Cotton rules while sugar, lumber, natural gas, oil, marl, cement rock and light manufacturing add millions to the state's rich income.

In the brief time Inland has been in the area, many steel consumers have already learned that Inland's reputation for fast service and dependability, is second to none. And everywhere, as a major producer of wide flange beams, standard structurals, bearing piles, sheets and bars, Inland is swiftly becoming well-known not only for the quality of its products, but for immediate answers to inquiries and amazingly fast service.

One of a series depicting market areas served by Inland • Art by Franklin McMahon

Inland, too, has liked what it has seen—the land and its people. Liked it so well that already it has expanded its service facilities to include not only its District Office at Houston, but resident representatives at Dallas and New Orleans. Located strategically on the Great Lakes and the rivers leading directly into the mighty Mississippi River, Inland can quickly pool-barge loads to Houston, New Orleans, Vicksburg, Greenville, Guntersville and Memphis for year 'round distribution from these points.

Already Inland has come to know the steel needs of cities like Birmingham, Dallas, Fort Worth, Houston, Atlanta, New Orleans, Jackson, Greenville and Shreveport. And for Inland, "knowing" is an essential part of serving.

In this territory of exciting growth and industrial expansion, Inland too, sees a land of opportunity—sees a future unlimited. Yes, Inland is *here*, and here to stay.

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## Product Perspective

**THE DESIGN ENGINEERING SHOW** usually offers more new products per square foot than any other trade exhibit. This year's show, held a week ago in Detroit, held true to the rule and 350 exhibitors had an imposing number of new components and materials on hand. These trends were spotlighted: more compact parts, more rigid physical properties, higher reliability sub-assemblies, a sharp increase in combination materials.

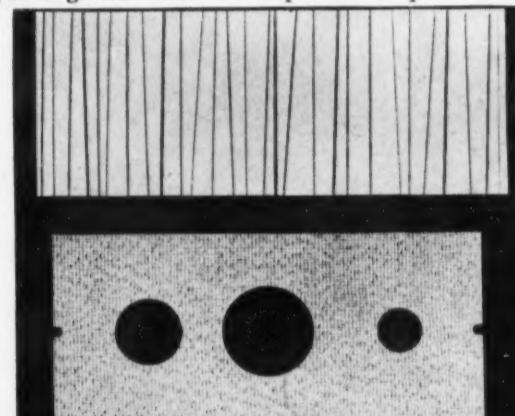
Here's a roundup of some of the new products in Detroit:

• **Fasteners:** Reliance Div. of Eaton Mfg. Co. is making a new industrial fastener called **Torq-tite**. Basically a new head design that can be adapted to screws, springtites or sems, it has three equally spaced driving slots on its outer periphery. The unique head design must be fastened or loosened with a special tool and is therefore tamper-proof.

A high-strength, self-locking swage nut—averaging only half the weight of similar type fasteners—has been introduced by Standard Pressed Steel Co. A companion to the earlier SPS swage nut, the new self-locking version has spring action on a three-sided locking collar to reduce thread diameter and hold the bolt securely wherever wrenching stops.

• **Switches:** "Thin-M" switch developed by Robertshaw-Fulton's Acro Div. makes possible to stock four switches in 1-in. of space. Thin-M has only one stressed metal part, good repeatability, faston or solder terminals, integral and detachable leaf and roller actuators. Models are available with a range of operating forces starting at 20 gr. and come in 3-amp. and 6-amp. versions.

• **Combination Materials:** Avery Label Co. has come up with a low-cost, highly decorative pressure-sensitive material made of Pyroxylin-coated paper that simulates leather and other trims. It is available in a variety of colors, styles, and embossing patterns. Avery claims that it costs 40%-50% less than comparable vinyls, and about 30% less than Mylar-vinyl pressure sensitives.



Pressure-sensitive coated paper comes in many styles.

Vinyl-metal laminate tubing is going into production at Columbus Coated Fabrics Corp. The tubing is manufactured by laminating vinyl to coil steel, then rolling, crimping and lock seaming the steel. The first commercial application is a mahogany wood grain on a pole lamp.

Metals & Controls Div. of Texas Instruments is starting a full-scale marketing program to let the customer "pick his own material combinations." The new program will function under the trademark "MULTILAYER" and will tie together design and application engineering assistance, value analysis studies, and project redesign help. Over 600 different combinations have been developed so far.

Mercury type plunger relay (type 1101-87T) has its compression terminals molded in place with self-extinguishing epoxy resin. Designed by Adams & Westlake Co., the relay eliminates the need for back-mounted bakelite panels or other auxiliary installation methods. Dummy screw terminals for coil connection are provided on the sides of the contact casting.

• **Seals:** New type of hydraulic rod packing, named the **Palmetto D-W Seal**, is said to provide a compact, low-cost seal and wiper. It was developed by Greene, Tweed & Co. The packing consists of a D-ring and double wedge-shaped back-up rings which provide added security. Pressure produces a double cam action in the wedges, which extends them fully against the rod and gland OD and closes the rod clearance so that extrusion is prevented at both the rod and D-ring heel. The assembly is held in a simple counterbore in the cylinder head by a snap ring.

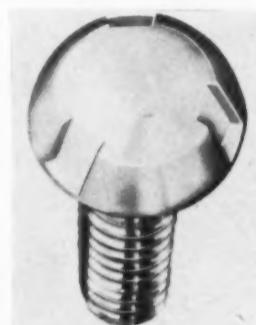
A two-stage static seal consisting of a high yield-strength stainless steel V-ring preceded by a Teflon seal is now available from the **PALL Corp.** The composite seal is designed to operate at temperatures from -65°F to 600°F at pressures up to 10,000 psi. The outer stainless ring maintains the seal under extreme pressures and temperatures, while the Teflon primary seal (which is permanently joined to the metal) provides a "soft seal" for leak-tight sealing.

Oil seal with a filled-Teflon sealing element marketed by **Garlock, Inc.**, is said to seal at speeds up to 3,000 fpm. without scoring the shaft or causing wear. "Klozure" seal has a special gasket to hold the sealing element in place.

Here's your weekly guide to . . .



P/W Looks at the Materials Handling Show



New Torq-tite fastener.

### Roller Applicator

#### Inks Stencil

Finger pressure on feed button of roller pumps ink from the handle reservoir which hold 3 oz. of fluid, enough for about 1,000 applications. Ink flow to the roller surface is through the core of the roller for an even spread. Flow also can be controlled for light or heavy markings.

Price: \$24. Delivery: immediate (after July 1).

Marsh Stencil Machine Co., Belleville, Ill. (PW, 6/5/61)

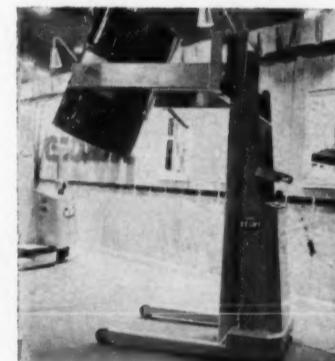


### Steel Mesh Container

#### Has Polyethylene Insert

Steel mesh container with a liner of molded polyethylene has a 2,000-lb. capacity. The mesh container is 41-in. wide, 48-in. long, and 30-in. high, and has folding sides. A 7½-ft. underclearance simplifies handling by lift trucks. The liner resists industrial chemicals, and most acids and alkali solutions. Total weight is about 170 lb.

Price: \$96. Delivery: immediate. Union Steel Products Co., 250 Chestnut St., Albion, Mich. (PW, 6/5/61)



### Drum Dumper

#### Attaches to Lift

Dumper attaches to manufacturer's lift equipment to lift, pour, and stack 55- and 30-gal. steel drums weighing up to 800 lb. Special clamps are available to adapt it to other drum and barrel types. Manual and pushbutton models with electric or hydraulic power are available to position drums at a 45-deg. pouring angle.

Price: \$397 (unit shown). Delivery: approx. 4 wk.

Crown Controls Co., Inc., Lake Ave., New Bremen, Ohio. (PW, 6/5/61)



### Charger

#### Offers Wide Capacity Range

Charger for 6-, 9-, 12-, 15-, 16-, and 18-cell lead-acid batteries comes in a range of models with battery amp./hr. capacities of from 0-400 to 1,000-1,200. All rectifiers are silicon with a large safety margin for current and peak inverse voltage ratings. A pilot light shows when the charger is energized.

Price: \$300 to \$1,200. Delivery: approx. 3 wk.

General Battery & Ceramic Corp., P. O. Box 1262, Reading, Pa. (PW, 6/5/61)

# New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



## Electric Truck

### Has Low Silhouette

Electric truck with low silhouette has operator's seat located only 33½ in. from the ground. It comes in 2,000- and 3,000-lb. capacity models with each capable of lifting speeds of up to 150 fpm. Dual front wheels are individually caster-mounted for easy steering and maneuverability.

**Price:** approx. \$6,400 (2,000-lb. capacity without battery). **Delivery:** 30 days.

**Yale & Towne Mfg. Co., 11000 Roosevelt Blvd., Philadelphia 15, Pa. (PW, 6/5/61)**



## Fork Lift Truck

### Maneuvers in Aisles

Truck with 2,000-, 2,500-, and 3,000-lb. capacities is 33½ in. wide, suitable for working in confined areas and aisles. The electric fork lift has a mast with an over-all height of 68 in. which stacks loads to as high as 105 in. It is a three-wheel model with a rear-wheel drive.

**Price:** approx. \$4,400 (2,000-lb. capacity without battery). **Delivery:** 6 to 8 wk.

**Automatic Transportation Co., 149 W. 87th St., Chicago 20, Ill. (PW, 6/5/61)**



## Mobile Yard Ramp

### Folds to Half Size

Mobile yard ramp is folded manually to one-half its size when not in use. It comes in two sizes: 30-ft. ramp has a 60-in. width; 36-ft. ramp, 70-in. width. Ramps are available with tread-plate or grating surfaces and in capacities from 7,000 lb. to 16,000 lb.

**Price:** approx. \$2,500 to \$3,500. **Delivery:** immediate.

**Brooks & Perkins, Inc., 1950 W. Fort St., Detroit 16, Mich. (PW, 6/5/61)**



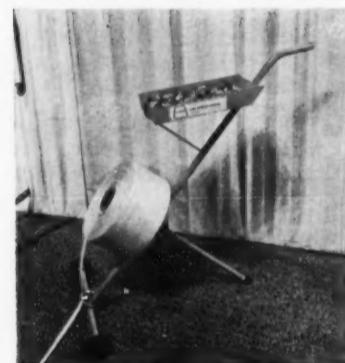
## Power Hand Truck

### Climbs Stairs

Electric hand truck with powered rubber tracks for climbing stairs also has a power lift for exact positioning of loads. Five models offer maximum lifting heights of 42 in. to 96 in. and capacities of 300 lb. to 500 lb. The truck handle is adjustable and controls are movable.

**Price:** \$410 to \$600. **Delivery:** approx. 2 to 4 wk.

**New Design & Development Corp., Box 727, Lima, Ohio. (PW, 6/5/61)**



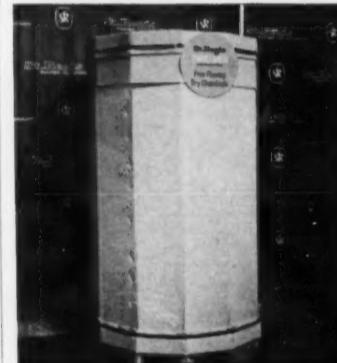
## Floor Stand

### Dispenses Strapping

Steel floor stand for dispensing rayon strapping material is designed with a wide base to prevent tipping. The stand feeds 20- and 40-lb. coils of strapping through a ring on the base and has a top-mounted tray for seals.

**Price:** \$21.50. **Delivery:** immediate.

**American Viscose Corp., 1617 Pennsylvania Blvd., Philadelphia 3, Pa. (PW, 6/5/61)**



## Bulk Container

### Has Built-in Pallet

Container with 60-cu. ft. capacity holds up to 2 tons of chemicals. The built-in pallet simplifies handling and cuts pallet inventory. The corrugated container stores "knocked-down" until ready for use and can be equipped with a polyethylene inner pouch. Other sizes range from about 40 gal. to 75 cu. ft.

**Price:** approx. \$6.50. **Delivery:** immediate.

**St. Regis Paper Co., 150 E. 42nd St., New York 17, N. Y. (PW, 6/5/61)**



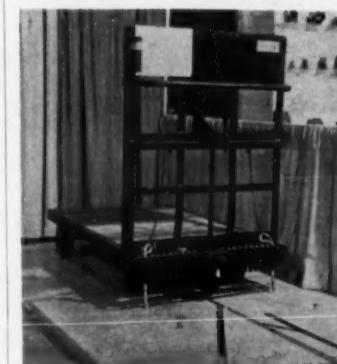
## Roll Clamp

### Rotates 5,000 lb.

Roll clamp, available with 180- or 270-deg. rotation, handles loads weighing up to 5,000 lb. It accommodates rolls 12- to 60-in. dia. without manual adjustment and has a nonslip facing on clamp pads. The clamp is interchangeable with standard forks on manufacturer's 6,000- to 10,000-lb. capacity trucks.

**Price:** approx. \$4,000. **Delivery:** immediate.

**Clark Equipment Co., Industrial Truck Div., Battle Creek, Mich. (PW, 6/5/61)**



## Switch Cart

### Has 100-Station Selectivity

Switch cart has 100-station mechanical selectivity (20 stations with one pin) for right or left switching on dragline conveyor systems. It is 32 in. x 48 in. and has a 2,000-lb. capacity. The cart, complete with tow pin, is fully rotating and floating, and is mounted through shock bushing.

**Price:** approx. \$80 to \$120. **Delivery:** 6 wk.

**SI Handling Systems, Inc., Phillipsburg, N. J. (PW, 6/5/61)**



## Hand Truck

### Clutches Load

Hand truck for beverage cases automatically engages and locks bottom case when the truck is placed against a stack. After delivering the load, the user kicks a release which frees the stack. The truck is available with 10-in. pneumatic or zero-pressure tires.

**Price:** \$32.95 and \$39.95. **Delivery:** immediate.

**E. F. Griffiths, 346 E. Walnut Lane, Philadelphia 44, Pa. (PW, 6/5/61)**



## Parts Counter

### Weighs Small Items

Automatic, high-speed counter handles items from .01 oz. to 2.5 oz. and up to 2 in. Changeover for different types of parts takes about 2 min. and limits can be preset for up to  $\pm 6$  pieces depending on accuracy required of the count. Less accurate counts permit faster batching.

**Price:** \$5,000 to \$10,000. **Delivery:** approx. 6 mo.

**Atronics Products, Inc., 1 Bala Ave., Bala-Cynwyd, Pa. (PW, 6/5/61)**



### Strapping Sealer

#### Makes Double Crimp

Sealer with extra-long handle makes a double crimp in a strapping seal, and is used for bundling where there is room for the longer handle swing. It is available for  $\frac{3}{4}$ - and 1  $\frac{1}{4}$ -in. strap, and for double and double lap-over seals. The aluminum tool weighs 7 lb. 5 oz.

**Price:** \$50 (1  $\frac{1}{4}$  in.) and \$60 deposit.  
**Delivery:** immediate.

Sharon Steel Corp., Brainard Steel Div., Warren, Ohio. (PW, 6/5/61)



### Lift Truck

#### Has Oil Clutch

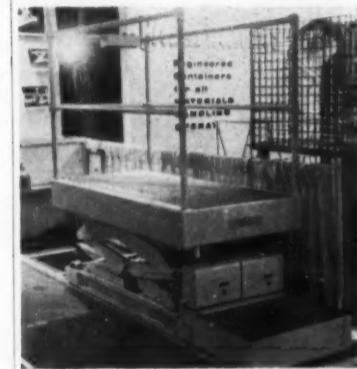
Pneumatic-tired lift truck in 6,000- and 8,000-lb. capacities has two-speed hoist system, self-cleaning hydraulic system, and dry-type cleaner and pre-cleaner. An oil clutch with oil bath lubrication of friction plates and clutch bearings is optional.

**Price:** \$7,900 (standard 6,000-lb. truck).

**Delivery:** 30 days.

Hyster Co., P. O. Box 4318, Portland 8, Ore. (PW, 6/5/61)

*Complete ductwork system of new Humble Oil Building is ...*



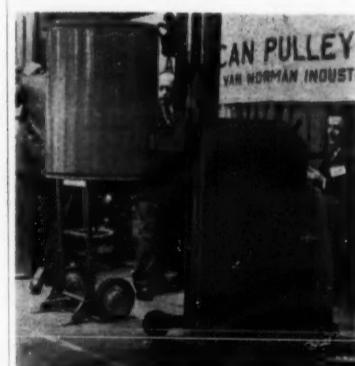
### Personnel Lift

#### Has 750-lb. Capacity

Personnel lift is a self-propelled unit with 750-lb. capacity. Electro-hydraulic power unit elevates the platform from a collapsed height of 16-in. to a 96-in. extended height. It is available with casters for mobility or as a stationary unit.

**Price:** \$2,000 to \$3,000 (depending on accessories). **Delivery:** approx. 4 wk.

Southworth Machine Co., 80 Warren Ave., Portland, Me. (PW, 6/5/61)



### Drum Stacker

#### Works in Limited Area

Drum stacker handles fiber and steel drums weighing up to 800 lb. The light, counterweighted model requires no outrigger. Over-all length is 36 in.; width, 26  $\frac{3}{4}$  in. Six-in. dia. front wheels and rear swivel casters make moving and steering relatively easy. Over-all height varies with lifting height needed.

**Price:** approx. \$400. **Delivery:** 2 to 3 wk.

American Pulley Co., 4214 Wissahickon Ave., Philadelphia, Pa. (PW, 6/5/61)

## GUARDED BY GALVANIZED STEEL

When this handsome Humble Oil office building in Houston, Texas, is finished in 1962, it will be the tallest building west of the Mississippi River. All 44 floors will be served by galvanized steel ductwork. That's 700 tons of skin-tight zinc-coated steel—a combination of tough durability and excellent corrosion protection with the broadest economy east or west of the Mississippi River. Galvanized steel's economy starts with fabrication, continues with erection and installation and is perpetuated in what little maintenance is required after that.

**WEIRKOTE® IN PARTICULAR!**—That's the choice of Mr. Harold W. Looney, owner of Looney's of Texas, Inc., sheet metal contractor, for all 700 tons of ductwork in this new building. To the inherent strength of steel—to its economy, versatility and advantageously low expansion/contraction rate—Weirkote adds flawless fabrication and long-lasting corrosion protection. Chip-free, crack-free, peel-free Weirkote is manufactured by two National Steel divisions, Weirton Steel and Midwest Steel. Write Weirton Steel Company, Weirton, West Virginia, for further details.



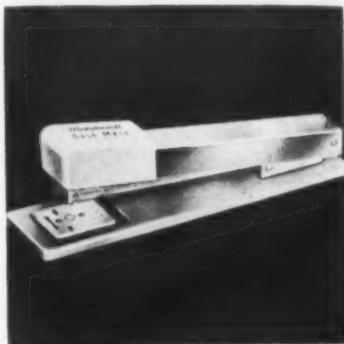
**MIDWEST STEEL**  
Portage, Indiana

*divisions of*  
**NATIONAL STEEL CORPORATION**

**WEIRTON STEEL**  
Weirton, West Virginia



## Your Guide to New Products



### Office Stapler

#### Has Bronze Finish

Office stapler's top lifts easily to receive a standard clip of 210 staples. The clinching anvil adjusts for permanent fastening or temporary pinning of staples, and the base swings away to convert the unit into a tacker to fasten notices to bulletin boards. The stapler is finished in bronze with chrome and white trimmings.

**Price:** \$4.95. **Delivery:** immediate.  
**Markwell Mfg. Co., 424 W. 33rd St., New York 1, N. Y. (PW, 6/5/61)**

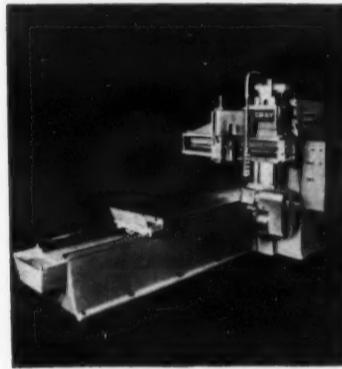


### Washing Unit

#### Fits 55-Gal. Drum

Self-contained unit can be mounted on any standard, 55-gal. metal drum to clean machinery and parts as well as walls and floors. It operates at 150 psi. to 175 psi. and has both wide and narrow nozzles for spraying. It has only one moving part and is made of brass and plated steel.

**Price:** \$199.50. **Delivery:** 1 to 2 wk.  
**Dura Corp., 2100 S. 9th St., Springfield, Ill. (PW, 6/5/61)**



### Milling Machine

#### Comes in Three Sizes

Milling machine for production work and shop jobs comes in 30-, 36-, and 42-in. basic sizes. The spindle is driven by a 10-hp. motor and eight speeds are available from 67 rpm. to 652 rpm. Drive unit and gear ratio permit table and rail feeds of from 1 ipm. to 40 ipm.

**Price:** \$35,700 (30-in. with one 10-hp. rail milling head).  
**Delivery:** 3 months.

**G. A. Gray Co., 3611 Woodburn Ave., Cincinnati 7, Ohio. (PW, 6/5/61)**

IN  
A  
MANHOLE  
OR  
ON A  
MIXER

### Wagner "Stand-up" motors pack plenty of power

Here's plenty of power for equipment requiring normal thrust vertically mounted motors. Wagner® Vertical Solid Shaft Motors provide power without problems for your pumps, mixers, agitators, axial fans, centrifuges, presses . . . anywhere you need a vertical motor drive with plenty of stamina.

Wagner Vertical Solid Shaft Motors are end-mounted, squirrel-cage type with a NEMA Type "P" base that is precision-machined to mate with equipment. Smooth running under cyclic loads, they won't labor or stall . . . conform with NEMA Design B motor requirements in all respects. Their cast iron construction is simple and rugged . . . stands off corrosion . . . stands up to rough, tough treatment. Here are motors that are designed to give you economical, maintenance-free service the year 'round, indoors or out.

Wagner "Stand-up" Motors are available in ratings of 1 hp and larger with nominal full load speeds of 3500, 1750, 1160, or 870 rpm, and can be supplied with a completely dripproof enclosure, a standard totally enclosed fan-cooled enclosure, or an explosion-proof TEFC enclosure. Whatever the horsepower, whatever the enclosure, whatever the application, one thing is sure . . . these compact, power packages get the job done. For all the reasons why, check with the Wagner Sales Engineer in the Wagner branch nearest you, or write us for Bulletin MU-249.

Branches and Distributors in all Principal Cities

**Wagner Electric Corporation**  
 6416 PLYMOUTH AVENUE, ST. LOUIS 33, MO., U.S.A.



### Warning Marker

#### Adheres to Most Surfaces

Vinyl warning panel with yellow and black stripes has pressure sensitive backing which adheres to metal, wood, plastic, masonry, or painted surfaces. Panels come in 5½- x 17-in., 11- x 17-in., and 17- x 17-in. sizes. They can be used indoors, or outdoors as stationary location markers, or on mobile equipment.

**Price:** 95¢ to \$1.85 each. **Delivery:** immediate.

**W. H. Brady Co., 727 W. Glendale Ave., Milwaukee 9, Wis. (PW, 6/5/61)**



Wagner Vertical Solid Shaft Motors provide the power for Smith & Loveless sewage pumping stations.



# Keezer: Notes on a Painless Education

(Continued from page 1)

teachers and the way they went about the job. The trouble, as I have indulgently explained it to myself, was that they failed to make me see there was any real point in my learning what they were teaching.

## Apples for the Teacher

At any rate, I can recall vividly a beginning grade school course in German at which I worked hard and effectively (I can still reel off lists of German prepositions which take dative and accusative) because I could see it served a very real purpose, *at least for the teacher*, Fraulein Moore. She used a dramatic teaching technique which consisted of having us pupils bring fruits, vegetables, and assorted merchandise to class where we would then be called upon to apply the appropriate German designations. At the end of the day, Fraulein Moore would load into a commodious string bag the day's take of objects that the pupils had named in German and cart it home. I had a suspicion that on the side she was running a retail store, but it served to keep me keenly interested in the course, and what merchandizing turn it would take next.



Here is the only line of locks listed by Underwriters' Laboratories. The unique ACE Locks provide the maximum in mechanical security. Over 80,000 keying combinations are possible so that you may have your own factory-registered tumbler set-up. For technical details on models available for various applications, write for Switch Lock Bulletin UB 501.

**CHICAGO LOCK CO.**

2056 N. Racine Avenue • Chicago 14, Illinois

As I understood it, it was one of the key—if not the key—principles of "progressive education," as developed by John Dewey and Co., that to teach youngsters you must have them interested and let them see some relevance to their own experience in what they are being taught. I count it a minor and possibly even a major tragedy in the development of American education that this principle, which I am sure is eminently correct, got corrupted by a lot of featherheads who reasoned that the proper way to keep students interested in what they were doing was to let them do just what they pleased and thus, by developing a sort of supervised chaos, brought the "progressive education" movement, which had a great deal to give to American education, into general disrepute.

## Progressive Education on Cape Cod

And where, at this juncture, you may be asking is this discourse bound? Well, to be perfectly frank about it, it's a build-up for what I find a delightful as well as deeply illuminating description of some great and progressive elementary school teaching, principally of arithmetic, which Caleb Sullivan was doing in the Long Nook School in Truro on the end of Cape Cod about 70 years ago.

Here is the description, provided by Art Cobb, one of Caleb Sullivan's pupils, for Tom Kane of Truro, an arithmetic teacher himself as well as a master of many other arts, who recorded it in his column, "My Pamet," in *The Provincetown (Mass.) Advocate*:

Caleb, according to Art, spent the first few weeks convincing the student body that the teacher was the boss . . . did it, by gosh, with general applications of the rattan and many after-school sessions. Once the behavior of the Long Nook Temple of Learning had met up with Mr. Sullivan's strict standards, a course of study was set up which was based upon Caleb's early days as a mariner.

## Setting Sail in the Classroom

"Object of the course was to apply arithmetic and geometry and bookkeepin' and business correspondence to a real ship's voyage, tryin' to make it as authentic as possible," explained Art. "The boys would take turns bein' skipper—each one would have to navigate the vessel—she was called the Sullivan, after our teacher—over a prescribed course. There was all sorts of navigational hazards; fog, and head winds, and currents to figger. We had to keep an accurate log, too, and clear the craft through customs, and inventory provisions, and check the bills of lading, and write letters to the vessel's owners. Why Caleb even had us take a brief course in first-aid and in ship's medicine to take care of any accident on board."

The voyage Art remembers most vividly took the good ship Sullivan from Provincetown Harbor out around the Point.

"Got 'er away with no trouble, cleared the papers and checked the cargo—salt cod if I remember correctly—but Caleb set up a nor'easter for me just off Pollock Rip that had me workin' out a navigational problem on the blackboard that took several hours to allow for drift," Art said, "but I finally picked up the Nantucket Lightship and turned over the charts to the first mate . . ."

## A Spell as Ship's Clerk

There followed, for Art, a spell as ship's clerk, during which time he composed several letters to the ship's owners to be dispatched when the Sullivan reached her port of call. "Got my knuckles rapped a dozen times for misspellin' and makin' mistakes in punctuation—and as extra punishment I had to learn all the countries of North, Central, and South America, together with their capitals . . ."

The ill-fated Sullivan was visited by an epidemic of dysentery just as she entered the Gulf Stream, so Art scrubbed his hands and broke into the medicine chest, and commenced to dispense licorice and ipecac with abandon. The ship's log at the end of four days stated that all hands were well again and ready for full duty.

## Sailed Into Havana

"Make a long story short, we finally sailed into Havana Harbor, cleared customs, and unloaded our cargo. I cleared all the papers and we shipped a deckload of mahogany for the return trip . . . more practical exercises in figgerin' board feet and proper loadin' so's we wouldn't interfere with the workin' of the ship.

"Accordin' to Caleb two stowaways managed to get aboard, so we had a brief fling at International Law for disposition of their case . . ."

The return trip, too, was fraught with danger, according to Art. A hurricane struck the Sullivan off the Florida coast, and no sooner had this horrendous storm abated when a fire broke out in the forecastle—(a careless crew member, it appeared, had been smoking when the smoking lamp was out, so a deck court was held).

## Home Under Full Sail

"Finally, by guppy, we made Cape Cod, and turned the Point under full sail, and headed for Matheson's Wharf, in Provincetown. All hands commenced to trim ship and put her on the mooring, and I reported to Capt. Sullivan . . . I figgered I'd done a good job.

"Cale thought different . . . 'Cobb,' he roared at me. 'You didn't provision ship properly. We've been eatin' hardtack and bully beef for ten days. You fail the course.'"

But he had some education which, like Aunt Mandy's apple pie, would keep on a-nourishin' and a-nourishin' him. I'll tell you about that later.

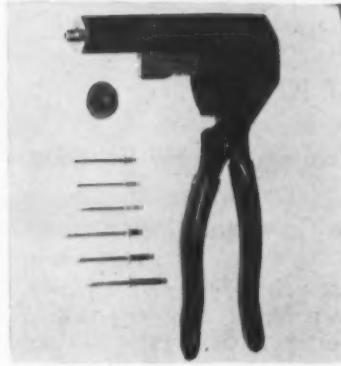


### Safety Goggles

#### Protect Visitors

Safety goggles for visitors' use have frames and temples made of smoke gray acetate. The clear acetate lens is equipped with a clear nose pad for comfort without distortion. Temples have a spatula design for comfort and can be imprinted with company name at low cost.

**Price:** \$6/doz. **Delivery:** immediate.  
**Sulmosan Safety Equipment Corp., 644**  
**Pacific St., Brooklyn 17, N. Y. (PW, 6/5/**  
**61)**

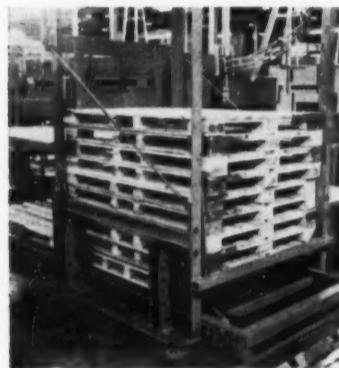


### Hand Rivet Gun

#### Fastens From One Side

Hand rivet gun with better than 10:1 gear ratio provides 1½-ton gripping power for fastening blind rivets. The long nose design reaches difficult work areas and accommodates rivets of from  $\frac{1}{8}$ - to  $\frac{1}{4}$ -in. dia.,  $\frac{3}{4}$  in. long. It makes steel, aluminum, plastic-to-metal, and metal-to-wood fastenings from one side of the work.

**Price:** \$29.95. **Delivery:** immediate.  
**Mid-American Mfg. Co., Inc., 1919**  
**Champa St., Denver 2, Colo. (PW, 6/5/61)**



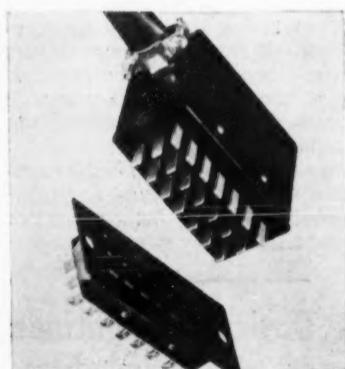
### Pallet Dispenser

#### Works With Conveyor

Equipment dispenses single empty pallets from a preloaded magazine onto a conveyor by manual demand or indexed automation. With slight modifications it converts to an empty pallet stacker, receiving units from a conveyor and placing them in the magazine. It comes fully automatic or semi-automatic.

**Price:** approx. \$1,600. **Delivery:** approx. 4 wk.

**H. L. Bushman Co., Inc., 100**  
**W. Central Ave., Roselle, Ill.**  
**(PW, 6/5/61)**



### Connectors

#### Have 750-v. Rating

Connectors rated at 750 v. and at a current capacity of 10 amp. are available in 18, 21, 24, 27, 30, and 33 contact configurations. Knife contacts in plugs are cadmium or silverplated brass and, in the socket double-spring design, are phosphor bronze. A polyethylene cap protects against moisture and dust.

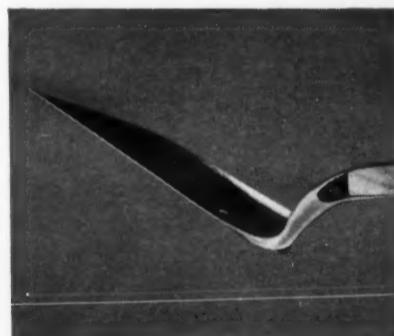
**Price:** \$1.05 to \$4 each. **Delivery:** immediate.

**Beauchaine & Sons, Inc., Lakeport, N. H. (PW, 6/5/61)**



*(if you want to  
get the best value  
in shovels)*

True Temper's taper-forging makes the big difference. It scientifically distributes the metal to give each shovel a unique combination of strength and light weight. A worker can do more shoveling in less time. And the shovel lasts longer.



Cutaway of taper-forged BANTAM shovel blade shows solid-steel shank, extra metal at wear points (shoulders and center), and thinner edges for easier penetration.



Taper-forged finish makes blade free-scouring. Helps the shovel slide into the load faster and more easily. And helps it shed the load more quickly and cleanly.



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## Professional Perspective



CONSULTANT F. ALBERT HAYES

Former NAPA President Discusses This PW Headline

### 'New Managerial Shuffle Confronts Purchasing'

-(P/W 5/29/61)

In the light of recent articles in PURCHASING WEEK about lumping purchasing, marketing, and distribution under one vice president, it is important to point out that purchasing's place on the organization chart is still not uniformly established.

Historically, purchasing departments in the U.S. have reported to the manufacturing division and, to a lesser extent, the finance division. But despite recognition of the importance of the purchasing function, there is variance in top management's concept of the procurement function itself.

Purchasing's profit importance to the company has been proven. But the debate still continues on how to integrate the purchasing function within an organizational structure to get the most out of it.

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For example, the American Management Assn. is conducting a workshop seminar at Saranac Lake, N. Y., this July titled "How to Profit-Orient the Purchasing Function." (Ed. note: Mr. Hayes will be co-leader of this seminar.) Here is evidence that top management is giving more serious thought to where the purchasing department belongs on the company organization chart.

The headline raises the question: Are there greater profits in consolidating the purchasing and marketing operations? If top management accepts the procurement function as important enough to put it on the same level as the other major functions of business as sales, manufacture, and personnel; then the organization chart should show as much. Purchasing should report either directly to the president or executive vice president.

This job of relating functions of the business, personnel resources, and profit responsibility is called organization planning. In setting up an organization aimed at separating production from purchasing and sales, management should ask these basic questions:

- Should the activity be a single service unit or a group of separate departments? (Some companies have combined accounting, purchasing, traffic, personnel, and maintenance under a v.p. for administrative services.)
- What is the relationship of the service unit to the operating or production unit?
- What is purchasing's authority in the service unit?

There is still another problem. Top management may wish to establish purchasing as a major function under a vice president, but may not have the man with qualifications to assume the job within the existing organization. If this is the case, other division heads with managerial ability may get the nod and end up with purchasing combined with their present jobs.

When the marketing manager falls into this situation and moves over to direct purchasing, there is a strong suspicion that the subject of "trade relations" had something to do with the decision. And trade relations is just another word for reciprocity.

There is nothing wrong with reciprocity when properly administered. All else being equal, any company should do business with its industrial friends. But troubles begin to pile up when the principle is violated.

The difficulty is to determine "when things are equal." Unless there is a realization and acceptance that procurement is not simply a departmental matter, but a company operation, it is practically impossible to weed out all the considerations that must go into deciding when reciprocity is an advantage.

A purchasing department—backed up with a company policy and furnished with proper communication to the sales department—is in an excellent position to administer a trade relations program in many companies. Ideally, this arrangement would be satisfactory to all departments.

Reciprocity will always be a problem, particularly where it is good business to buy from a customer at a price higher than can be secured from a non-customer. From the purchasing standpoint the solution is simple—if top management decides to favor the customer over the non-customer, then the extra cost becomes a charge against marketing or sales, not manufacturing or purchasing.

This kind of decision, crossing departmental lines, should be made by an executive vice president rather than the head of any one department.

### Import Duties to Continue Unchanged on Rolled Glass

Washington—Import duties on rolled glass will remain unchanged as the result of a tie vote by members of the U. S. Tariff Commission on whether the glass imports are large enough to injure the domestic industry.

A 3-to-3 vote by the Tariff Commissioners amounted to a rejection of the domestic rolled glass industry's appeal. The commissioners made no recommendation for escape-clause action and will not submit a report to the President.

Regular rolled glass is dutiable at 0.625¢/lb. and will remain levied at that rate because of the tie vote. Two Tariff Commissioners recommended duties of 1.5¢/lb., and one commissioner said the rate should be 2¢/lb.

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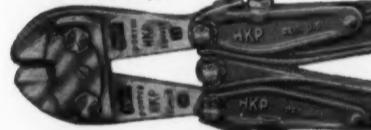
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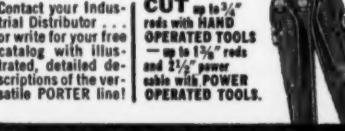


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# Consent Decrees Enlisted in Price Fixing Cases

**Washington** — The Justice Dept. is using consent decrees to bolster its attack against price fixing.

In an unprecedented move involving two makers of electrical alloy resistance products, the department entered a consent judgment with a clause providing that in any future price fixing charges against them, the companies will have the job of proving identical bids were reached through legal means.

Thus, if the two companies are again accused by the government of fixing prices, and the Justice Dept. submits to a judge an "appreciable" number of identical bids on contracts of more than \$50, the bids will be prima facie evidence of price fixing. It will be up to the companies to prove they were not reached through an illegal conspiracy.

The idea of shifting the burden of proof to the defendants is not

a new one. It has been knocking around Washington for some time and is one of the amendments to the antitrust laws being considered by Sen. Estes Kefauver.

Private attorneys expect the Justice Dept. to start inserting similar clauses in future price-fixing consent judgments. They believe, however, that the effectiveness of the clause will depend largely on the attitude of individual judges.

For instance, the clause says that an "appreciable" number of identical bids is necessary for presentation as evidence, but it will be up to the judge to determine exactly what this term means.

Some attorneys also question

whether the courts will permit such a clause to replace the strict rules of evidence normally used to establish price fixing.

The judgments were entered against Wilbur B. Driver Co., Newark, N.J., and C. O. Jelliff Mfg. Corp., Southport, Conn. Both companies were charged with conspiring to fix prices and monopolize sales of electrical alloy resistance products used in electrical equipment.

Three other defendants refused to sign consent judgments and are scheduled to go on trial this fall. They are Driver-Harris Co., Harrison, N.J., Alloy-Metal Wire Co., Inc., Prospect Park, Pa. (and its successor, H. K. Porter Co., Pittsburgh), and Hoskins Mfg. Co., Detroit.

## Corporate Books to Get Closer Check In FTC Investigations of Price Fixing

**New York** — The Federal Trade Commission is going to start making more use of its right to subpoena corporate records in order to speed the process of investigating price-fixing complaints, Paul Rand Dixon, FTC chairman told an American Management Assn. meeting here.

He was one of 10 top government spokesmen who briefed business executives at the three-day meeting on the role of federal regulatory agencies in marketing. His remarks, and those of Sen. Estes Kefauver (D-Tenn.), Attorney General Robert Kennedy, and Presidential Assistant James M. Landis, were presented in the form of video tape interviews.

Dixon emphasized that the FTC will be careful not to use its civil powers in cases where criminal prosecution might also be possible. Instead such cases will be called to the attention of the Justice Dept. for action.

Sen. Kefauver asked that the Justice Dept. also be given the power to subpoena civil documents for antitrust investigations. As it stands now, when a corporation refuses to cooperate with the department, it is necessary for

the government "to go through the unusual, and I think to a certain extent hypocritical, process of calling a criminal grand jury to make an investigation in order to get documents it wants for a civil suit," the senator said.

Kefauver, who is chairman of the Senate Antitrust and Monopoly Subcommittee, also said legislation should be introduced that would subject corporate officers to the same legal penalties as union officials. For instance, a labor leader convicted of crime is barred from holding union office for a certain length of time. "Shouldn't this restriction also apply to corporate officers?" he asked.

Kefauver also maintained that present antitrust laws are inadequate because they don't say anything about the guilt of the corporate officer who knew bid rigging was going on but who didn't actually participate in it. According to the senator the law could be changed so that top responsible officers of a corporation would be liable to prosecution as well as those who conduct the negotiations that result in fixed prices or rigged bids.

## Shippers Register Angry Protests As Truckers Move to Alter Rates

*(Continued from page 1)*  
ICC, the new rates will go into effect June 12 on shipments to and from Middle Atlantic and New England states and points in the Central, Midwest, Northwest, and Southwest territories.

• The Middle Atlantic Conference has asked the ICC to approve the principle of "constant charges" for under-300 lb. shipments for all common carriers.

Carriers say the plan is based on their "operating ratios," and since their ratio of expenses to income is the same for all commodities, rates should be made on the same basis.

Specifically, the Eastern Central carriers want to eliminate minimum charges and apply a constant charge to all shipments under 300 lb., regardless of the commodity being shipped. The charge would vary by both distance and weight at each 50-lb. break under 300 lb. To the constant charge would be added 32¢ cwt.

Commodity classifications would be retained on shipments of 300 lb. and over. However, the proposals calls for class rate increases as follows: 32¢ cwt. on 300-999 lb. shipments; 20¢ cwt. on 1,000-1,999 lb.; and no increases on over-2,000 lb.

On truckload or volume commodity rates: 5¢ cwt. up to 24,000 lb.; 3¢ cwt. on 24,000-29,000 lb.; 2¢ cwt. on 30,000 lb. and over. Accessorial charges would be increased by 10%.

Carriers claim the new schedule would actually result in cost savings for shippers due to savings in time and reduced paperwork. If two commodities take a single rate, they say, time is saved by not having to look up separate commodity tariffs.

But shippers are not being easily swayed by this argument. The National Industrial Traffic League filed a petition with the ICC calling the plan "destructive of the traditional classification system."

## Purchasing Week's Purchasing Perspective

*(Continued from page 1)*  
recently before the Chicago purchasing association. In their long range planning for professional and personnel development, he said, **purchasing executives should inquire seriously into the possibility of bringing more women into their organizations.**

Analyzing U. S. Labor Dept. statistical projections of the country's work force, Frederick J. Robbins, president of Bliss & Laughlin, said that demand for male managerial talent will exceed the supply during the next decade and that more women will be called upon to fill many key executive posts now held by men.

Women will constitute nearly one-third of the work force by 1970. And why, asks Robbins, shouldn't women—who as housewives spend more and frequently better than men anyway—be brought in to fill a gap in purchasing's middle management (35 to 44) age group?

**The Administration is becoming increasingly concerned about inflationary tendencies that could develop during the current economic upswing.** Government economists are keeping a special watch on inventory accumulation and the general buying activities of industrial purchasing agents.

Industrial pricing plans also are being scrutinized carefully, especially those in the steel industry. And just as the Administration has indicated it plans to throw its weight around in touchy labor negotiations (see Washington Perspective, p. 4), so will it speak up if and when the steel industry decides this fall is a ripe time to essay some upward price changes.

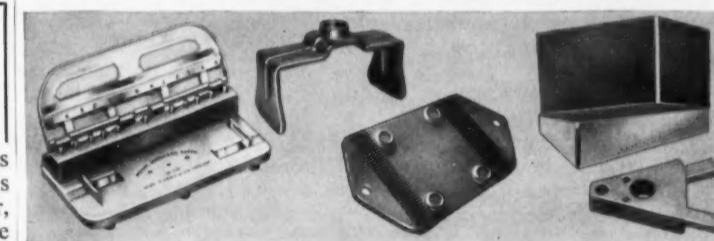
**Steel companies have hinted pretty broadly in recent weeks that they may seek price relief to overcome additional labor costs due in October.** But some Kennedy Administration advisers are far from convinced that increases are necessary; and government economists are quietly preparing a case against the steel companies should the industry try to raise prices later this year. They are amassing figures by which they will try to show that no price increase is needed to maintain a healthy profit, especially considering anticipated increases in industry production rates.

Although it has yet to prove its effectiveness, the President's new Labor-Management Committee will be ordered to bring pressure to bear on the industry to avoid inflationary price increases.

**Meanwhile the tightening supply situation in steel has more and more P.A.'s convinced some prices are due to go up** (the stainless reductions last week don't figure too strongly because stainless is a special case and its pricing does not always follow general steel pricing patterns).

Lead times on steel products have changed considerably in the last month, and buyers are being advised to work out a program with suppliers to assure adequate tonnage during what looks to be a booming final quarter of 1961.

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# Inventory Buying Shows Signs of Cautious Rise

(Continued from page 1) metal areas, prices have been relatively stable—with ups and downs just about cancelling each other out. Boosts are expected in steel, aluminum and many fabricated product areas by year-end. But they'll be partially offset by declines in other areas. Result: The over-all industrial price index isn't expected to rise more than 1% or 2%.

• **Hedging**—Even in specific cases where price rises are expected, hedging generally will be kept to a minimum. Relatively ample supplies, absence of labor strife, and the heavy cost of carrying inventories are contributing to the "no-hedge" trend.

• **Lead times**—Delivery time is increasing, particularly in sheet and bar steel items. But the increases are moderate, and so far have not resulted in any significant order speedup.

R. E. Hollenbeck of Chicago Bridge and Iron (steel fabricators) typified the P.A. attitude. Said Hollenbeck, "I don't think we are going to go wild building inventory. If it looks like business is going to improve, we may increase our steel inventory 5% to 10%. We buy according to the contracts we get, and even though there has been some spurt, we want to make sure it's something that's going to last."

## Holding the Line

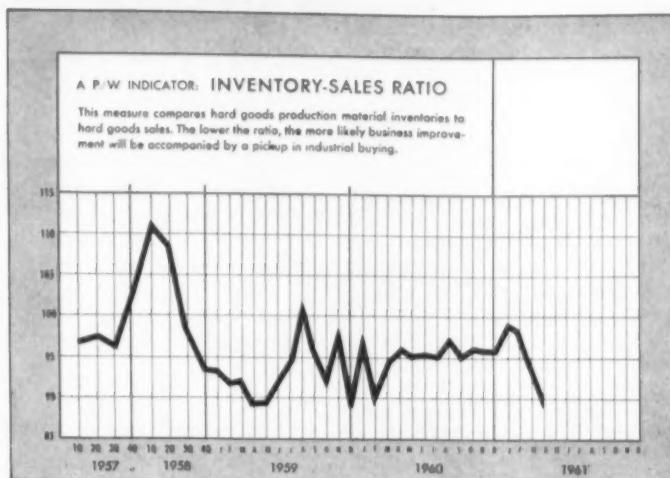
Other P.A.'s were even more emphatic about holding the inventory line. Observed the P.A. for a large diversified Midwestern steel product user: "I'm going to squeeze my inventory as tight as I can. We are doing a better job of scheduling and turning our inventories over faster."

A look at latest official government inventory statistics confirms this close-to-the-vest policy. According to the Commerce Dept., production material stocks on May 1 were unchanged from the previous month. That's pretty significant considering the fact that industrial production rose some 2½% over the comparable period.

The latest figures bring down PURCHASING WEEK's inventory-sales ratio curve to lowest point in nearly 2½ years (see accompanying chart).

Based on P/W's survey results, May should prove to be the month of turnaround. Hard goods production material stocks on June 1 are expected to rise to about \$7.9-billion—compared with the \$7.8-billion level at the beginning of May.

Most experts see the rise shap-



ing up as a slow, long drawn out affair. Comments the industrial economist for one of the top metal working firms, "I doubt whether the old highs (\$8.8-billion last spring) will be reached until some time in early 1962—and then only if production continues to show smart gains."

P.A.'s are no longer bothered by fears of inflation, these experts say, and therefore are not under the same pressure to build up stocks as in the 1950's when all industrial prices shot up sharply after each recession.

Steel is a good example. Despite rising steel demand, most buyers don't see any sharp increase in this area, even though tags have held steady for over 2½ years. They feel that any price rises will be spotty, taking the form of smaller discounts and/or an increase in extras.

In general, prices will be a two-way street according to other P.A.'s. "I heard of a 7% decrease in corrugated cartons on the West Coast and demanded the same," said one St. Louis P.A. "There was some squawking, but I got it."

Another P.A., Lynn Percival, of Cincinnati's American Tool Works (lathes and drills) was even more emphatic on price cutting. Said Percival: "Nobody will say they are cutting prices, but they sure as heck are." He said he was buying cast iron 10%-20% below year ago and fasteners as much as 30% less.

## Aluminum Outlook

Contrasting this outlook is the one for aluminum given by W. R. Kiefer, materials manager at Chance Vought. He told P/W: "Representatives of large producers have advised that they anticipate a 5% increase on aluminum sheet by midyear or early fall."

A more neutral price picture

was given by L. T. Spivey, P.A. of Auto-Soler Co. (Atlanta machinery maker). He noted, for example, that "cutting tools are down and set screws are off 10%." But he quickly added that these were being offset by a rise in transmission V-belts and an expected 5%-6% boost in wrapping and corrugated paper.

Spivey's experience was typical of the majority of P.A.'s around the country. In fact, there were quite a few areas where P.A.'s reported or expected both rises and falls (they're summarized in the table below).

## How P.A.'s See Prices

UP	DOWN
Copper products	Kraft paper
Brass products	Cast iron
Screws	Fasteners
Castings	Zinc oxide
Autos	Tall oil
Glass	Cutting tools
Appliances	Set screws
Brake components	Battery separators
Aluminum extras	Organic chemicals
Electrical items	Semiconductors
Automotive parts	Plastics
Bearings	
Petroleum products	
Corrugated containers	
Steel Extras	
Steel (selected items)	
Lead Pigments	
Transmission V-belts	
Wrapping paper	
Corrugated paper	

The fact that there are more increases than decreases again lends support to the feeling that the over-all trend will be up. But as noted above, this isn't expected to result in much anticipatory buying.

B. A. Goodenough of the General Time Corp. expressed the attitude of most industrial buying executives on hedging. Said Goodenough, "We are not trying to do any forward buying to hedge against price increases. I gave that up years ago."

Harold Vaughan of the Farrington Manufacturing Company of Needham, Massachusetts,

# Late News in Brief

## New Orders Hit 16-Month High

Washington—New orders received by manufacturers in April totaled \$30.7-billion—the highest point in 16 months and 3% over the March level of \$29.9-billion. The Commerce Dept. also noted a rise for the third consecutive month in factory backlog, which brought unfilled orders to the highest point since October, and a 2% rise in manufacturers' sales, the third consecutive monthly advance.

## Goodyear Cuts Vitafilm Tags

Akron—Goodyear Tire & Rubber Co. cut prices of its Vitafilm line of flexible, transparent packaging films by amounts ranging up to 6%. One food wrapper was cut to 69¢/lb. from 73¢. A nonfood wrapper was cut to 65¢/lb. from 69¢. A similar reduction was made the first of this year.

## Climax Molybdenum Posts Higher Prices

New York—Climax Molybdenum Co., a division of American Metal Climax, Inc., raised prices of its molybdenum products an average of 10%. New prices of key volume items: molybdenite concentrate, up 15¢ to \$1.40/lb.; ferromolybdenum, up 13¢ to \$1.89/lb.; canned molybdenic oxide, up 13¢ to \$1.89/lb. Increases, reflected higher wage and materials costs, are first since November, 1958.

## Ham Can Has No Sharp Edges

New York—American Can Co. will have a ham can without sharp edges available for meat packers about Dec. 15. Instead of having a sharp edge, the can's exposed rims are rolled to prevent finger-slicing. Like present cans, it is opened with a key which winds up a scored tear-strip. But repositioning of the strip and addition of "guard rails" is said to make opening easier.

## Senate Committee OK's Highway Bill

Washington—The Senate Public Works Committee gave approval to Administration-backed bills to step up federal spending for superhighway construction and sewage treatment plants. The House-passed bill would add \$11.6-billion to the \$25.4-billion previously authorized for Federal grants to states for the interstate highway system.

## CAB Urging Pentagon To Limit Air Transport To Regulated Carriers

Washington—The Civil Aeronautics Board wants the Defense Dept. to restrict its procurement of air transportation within the United States to regulated carriers. This would have the effect of placing a bid floor on military passenger and freight contracts.

The Defense Dept. reluctantly agreed at CAB's insistence last year to use only regulated carriers—regular and nonscheduled commercial airlines—in awarding contracts for overseas air movements. This led to the establishment of a rate floor because certified carriers must obtain CAB approval to fulfill Military Air Transport Service (MATS) contracts that entail flights along routes not covered by a carrier's operating certificate.

CAB refuses to grant such approval unless a minimum rate of 2.9¢ per passenger mile and a minimum rate for cargo, based on aircraft type, are charged.

The CAB-Defense Dept. agreement eliminated unregulated and contract carriers from competition for overseas traffic. Now the board proposes that the department place the same restriction on domestic air service.

But CAB Chairman Alan S. Boyd, in a letter to Defense Secy. Robert S. McNamara, says giving MATS business to regulated carriers only would "contribute substantially to the stability of the common carrier air transportation system" and thus strengthen the air transportation system.

## Price Changes for Purchasing Agents

### Item & Company

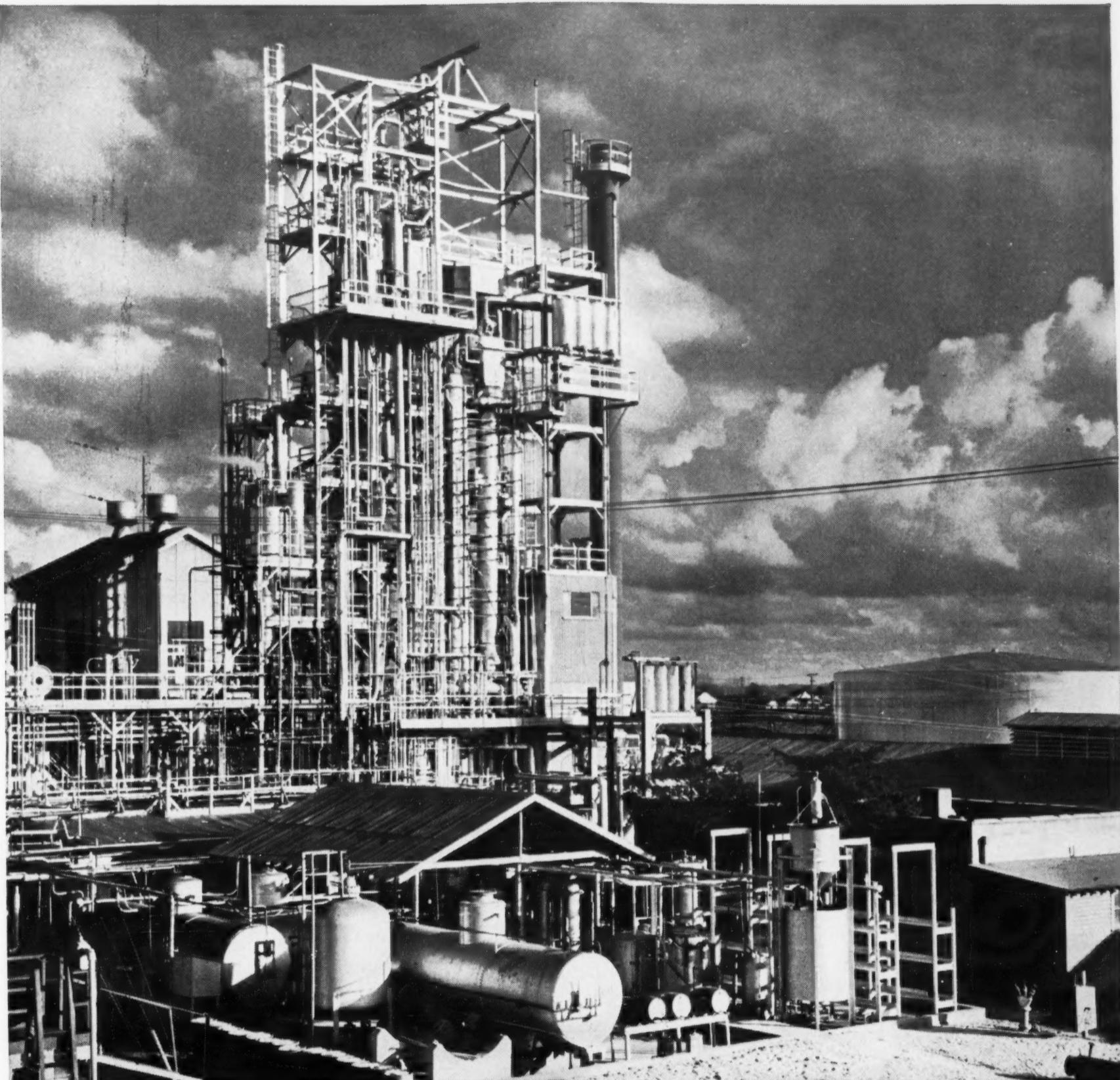
Amount of Change  
New Price  
Reason

### INCREASES

Molybdenum products, Am. Mtl. Climax.....	10% avge.	....	incr. costs
Copper-clad strip steel, Copperweld Steel.....	1.4%-2%	....	copper hike
Urea, W. R. Grace, July 1, ton.....	\$2.00-\$3.00	....	cost pressure

### REDUCTIONS

Stainless steel, major types, Allegheny Ludlum.....	2½%-5%	....	competition
Polyethylene resin, high density, detergent grade Hercules, lb. ....	.03	.35	competition
Methylcellulose products, Dow, lb. ....	to 16%	.69.91	broaden market
Gum turp., So., gal. ....	.015	.365	incr. supply
Ball bearings, thin section, Kaydon. ....	up to 24%	....	prod. econs.



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